
Changes to legislation: There are currently no known outstanding effects for the Taxation of Pensions Act 2014, Cross
Heading: Annual cap on pension drawdown abolished for flexi-access drawdown funds. (See end of Document for details)

SCHEDULES

SCHEDULE 1

PENSION FLEXIBILITY ETC

PART 1

DRAWDOWN PENSIONS

Annual cap on pension drawdown abolished for flexi-access drawdown funds

- 1 In section 165(1) of FA 2004 (the pension rules) in pension rule 5 (annual cap on drawdown pension) after “in each drawdown pension year” insert “ from, or under a short-term annuity purchased using sums or assets out of, the member's drawdown pension fund ”.
- 2 In paragraph 8(1A) of Schedule 28 to FA 2004 (meaning of “member's drawdown pension fund”: funds designated as available for drawdown)—
 - (a) in the opening words omit “they”,
 - (b) in paragraph (a) for “have been designated at any time” substitute “ they have, at any time before 6 April 2015, been designated ”,
 - (c) before the “or” at the end of paragraph (a) insert—
 - “(aa) they have, at any time on or after 6 April 2015, been designated under the arrangement as available for the payment of drawdown pension, and—
 - (i) sums or assets held for the purposes of the arrangement have, at any time before 6 April 2015, been designated under the arrangement as so available, and
 - (ii) section 165(3A) did not apply to the arrangement immediately before 6 April 2015,” and
 - (d) in paragraph (b)—
 - (i) at the beginning insert “ they ”, and
 - (ii) for “sums or assets which have been so designated or” substitute “ member-designated funds under paragraph (a) or (aa) or from sums or assets ”.

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