
Changes to legislation: There are currently no known outstanding effects for the Taxation of Pensions Act 2014, Cross Heading: Reduction of restrictions on new annuities. (See end of Document for details)

SCHEDULES

SCHEDULE 1

PENSION FLEXIBILITY ETC

PART 2

ANNUITIES

Reduction of restrictions on new annuities

- 36 Schedule 28 to FA 2004 (registered pension schemes) is amended as follows.
- 37 In paragraph 3 (definition of member's lifetime annuity) after sub-paragraph (1) insert—
- “(1A) For the purposes of this Part, but subject to any provision made under sub-paragraph (2C)(za), an annuity payable to the member is also a lifetime annuity if—
- (a) it is payable by an insurance company,
 - (b) the member becomes entitled to it on or after 6 April 2015, and
 - (c) it is payable until the member's death or until the later of the member's death and the end of a term certain.”
- 38 In paragraph 6 (definition of member's short-term annuity) after sub-paragraph (1) insert—
- “(1ZA) For the purposes of this Part, but subject to any provision made under sub-paragraph (1C)(za), an annuity payable to the member is also a short-term annuity if—
- (a) it is purchased by the application of sums or assets representing the whole or any part of the member's drawdown pension fund, or of the member's flexi-access drawdown fund, in respect of an arrangement,
 - (b) it is payable by an insurance company,
 - (c) the member becomes entitled to it on or after 6 April 2015, and
 - (d) it is payable for a term which does not exceed five years.”
- 39 In paragraph 17 (definition of dependants' annuity) after sub-paragraph (1) insert—
- “(1ZA) For the purposes of this Part, but subject to any provision made under sub-paragraph (4)(za), an annuity payable to a dependant is also a dependants' annuity if—
- (a) either—
 - (i) it is purchased together with a lifetime annuity payable to the member and the member becomes entitled to that lifetime annuity on or after 6 April 2015, or

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- (ii) it is purchased after the member's death and the dependant becomes entitled to it on or after 6 April 2015,
 - (b) it is payable by an insurance company,
 - (c) where the dependant is not the member's child, it is payable until the dependant's death or until the earliest of the dependant's marrying, entering into a civil partnership or dying, and
 - (d) where the dependant is the member's child, it is payable until the earlier of the dependant's ceasing to be a dependant or dying, or until the earliest of the dependant's marrying, entering into a civil partnership, ceasing to be a dependant or dying.”
- 40 In paragraph 20 (definition of dependants' short-term annuity) after subparagraph (1) insert—
- “(1ZA) For the purposes of this Part, but subject to any provision made under subparagraph (1C)(za), an annuity payable to a dependant is also a dependants' short-term annuity if—
- (a) it is purchased by the application of sums or assets representing the whole or any part of the dependant's drawdown pension fund, or of the dependant's flexi-access drawdown fund, in respect of an arrangement,
 - (b) it is payable by an insurance company,
 - (c) the dependant becomes entitled to it on or after 6 April 2015, and
 - (d) it is payable for a term which does not exceed five years and ends before the dependant dies.”

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