

SCHEDULES

SCHEDULE 9

PENSIONS

PART 6

COMMENCEMENT AND TRANSITIONAL PROVISION ETC

Availability of individual's lump sum and death benefit allowance

- 126 (1) This paragraph applies where—
- (a) one or more benefit crystallisation events within the meaning of Part 4 of FA 2004 occurred in relation to an individual before 6 April 2024, and
 - (b) a relevant benefit crystallisation event within the meaning of [section 637S](#) of ITEPA 2003 (availability of individual's lump sum and death benefit allowance) occurs in relation to the individual on or after that date.
- (2) Where the individual's lifetime allowance previously-used amount is equal to or greater than the individual's lifetime allowance, none of the individual's lump sum and death benefit allowance is available on the occurrence of the relevant benefit crystallisation event.
- (3) Otherwise, the amount of the individual's lump sum and death benefit allowance that is available on the occurrence of the relevant benefit crystallisation event is—
- (a) the amount of that allowance that is available in accordance with [section 637S](#) of ITEPA 2003 on the occurrence of that event, less
 - (b) an amount equal to the appropriate percentage of the individual's lifetime allowance previously-used amount;
- or, if that produces a negative result, nil.
- (4) In sub-paragraph (3) “the appropriate percentage” means—
- (a) 100% in a case in which—
 - (i) the individual becomes entitled to a serious ill-health lump sum before 6 April 2024 and is under the age of 75 at the time of the payment, or
 - (ii) the individual dies before 6 April 2024 under the age of 75 and before that date a person is paid a lump sum death benefit in respect of the individual;
 - (b) 25% in any other case.
- (5) But sub-paragraphs (2) to (4) do not apply if, on the occurrence of the relevant benefit crystallisation event, a transitional tax-free amount certificate is in force in relation to the individual.

Status: This is the original version (as it was originally enacted).

- (6) In such a case, the amount of the individual's lump sum and death benefit allowance that is available on the occurrence of the relevant benefit crystallisation event is—
- (a) the amount of that allowance that is available in accordance with [section 637S](#) of ITEPA 2003 on the occurrence of that event, less
 - (b) the individual's lump sum and death benefit transitional tax-free amount;
- or, if that produces a negative result, nil.
- (7) For provision about the meaning of expressions used in this paragraph, see [paragraph 129](#).