
STATUTORY INSTRUMENTS

2006 No. 572

**The Taxation of Pension Schemes
(Transitional Provisions) Order 2006**

Serious ill-health lump sums, pension protection lump sum death benefits and annuity protection lump sum death benefits

33.—(1) In the case of an individual who meets the conditions set out in paragraph (2), paragraphs (3), (4) and (5) apply.

(2) The conditions are as follows.

Condition A

The individual is a member of a scheme which falls within sub-paragraphs 1(1)(a) to (g) of Schedule 36.

Condition B

The individual has an actual (rather than a prospective) right to the payment of one or more relevant existing pensions under that scheme on 6th April 2006.

(3) In paragraph 4(2) of Schedule 29 (serious ill-health lump sum) for the words “there has been no previous benefit crystallisation event” substitute—

“the member has a prospective (rather than an actual) right to the payment of one or more relevant existing pensions.”.

(4) In paragraph 14(3) of Schedule 29 (pension protection lump sum death benefit)—

(a) for “AC is the amount crystallised by reason of the member becoming entitled to the pension (see section 216)” substitute—

“AC is the value of the individual’s pre-commencement pension rights as defined in paragraph 20(3) to (5) of Schedule 36.”.

(b) in the definition of “AP” for the words after “paid in respect of the period” substitute—

“from the period from the 6th April 2006 and the date of the member’s death.”.

(5) In paragraph 16(3) of Schedule 29 (annuity protection lump sum death benefit)—

(a) for “AC is the amount crystallised by reason of the member becoming entitled to the pension or annuity” substitute—

“AC is the value of the individual’s pre-commencement pension rights as defined in paragraph 20(3) to (5) of Schedule 36.”.

(b) in the definition of “AP” for the words after “paid in respect of the period” substitute—

“from the period from the 6th April 2006 and the date of the member’s death.”.