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SCHEDULES

SCHEDULE 28

REGISTERED PENSION SCHEMES: AUTHORISED PENSIONS—SUPPLEMENTARY

Modifications etc. (not altering text)

- C1** Sch. 28 modified by [The Pensions Schemes \(Application of UK Provisions to Relevant Non-UK Schemes\) Regulations 2006 \(S.I. 2006/207\)](#), regs. 1(1), **14** (as substituted (with effect in accordance with reg. 1(2) of the amending S.I.) by [S.I. 2012/1795](#), regs. 1(1), **5**)

PART 1

PENSION RULES

Defined benefits and money purchase arrangements

Ill-health condition

- 1 For the purposes of this Part the ill-health condition is met if—
- (a) the scheme administrator has received evidence from a registered medical practitioner that the member is (and will continue to be) incapable of carrying on the member's occupation because of physical or mental impairment, and
 - (b) the member has in fact ceased to carry on the member's occupation.

Modifications etc. (not altering text)

- C1** Sch. 28 para. 1 modified (6.4.2006) by [The Registered Pension Schemes \(Splitting of Schemes\) Regulations 2006 \(S.I. 2006/569\)](#), regs. 1(1), 3(1)(2), **Sch. 3 Pt. 1**

Scheme pension

- 2 ^{F1}(1)
- (2) [^{F2}A] pension payable to the member is a scheme pension for the purposes of this Part if—
- (a) it is payable by the scheme administrator or by an insurance company selected by the scheme administrator, and
 - (b) it satisfies the condition in sub-paragraph (3).
- (3) The condition is that (subject to sub-paragraph (4))—
- (a) the pension is payable (at least annually) until the member's death or until the later of the member's death and the end of a term certain not exceeding ten years, and

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- (b) the rate of pension payable [^{F3}at any time during any] relevant 12 month period is not less than the rate payable [^{F4}at the relevant time].

[^{F5}(3A) “The relevant time” is—

- (a) in the case of the first relevant 12 month period, the day on which the member becomes entitled to the pension, and
 (b) in the case of any other relevant 12 month period, immediately before the beginning of that period.]

(4) None of the following prevent the pension satisfying the condition in sub-paragraph (3)—

- [^{F6}(a) the reduction of the pension if the member became entitled to it by reason of the ill-health condition being met,]
 (b) a reduction in the rate of the pension which applies to all the scheme pensions being paid to or in respect of members of the pension scheme, ^{F7}...
^{F8}(c)
 [^{F9}(d) the reduction of the pension in consequence of a pension sharing order or provision,
 (e) forfeiture of entitlement to the pension in circumstances prescribed by regulations made by the Board of Inland Revenue,
 (f) the reduction of the pension in consequence of an order of a court,
 (g) if the pension is under a public service pension scheme, its reduction by abatement, or
 (h) the reduction of the pension in any other circumstances prescribed by regulations made by the Board of Inland Revenue.]

[^{F10}(4A) In sub-paragraph (4) references to the reduction of a pension include its ceasing to be payable (whether temporarily or permanently).]

^{F11}(4B)

^{F12}(5)

^{F13}(5A)

(6) A pension is payable until the end of a term certain even if it may, after the death of the member during the term, end on the pensioner—

- (a) marrying,
 [^{F14}(aa) entering into a civil partnership,]
 (b) reaching the age of 18, or
 (c) ceasing to be in full-time education.

[^{F15}(6A) The Board of Inland Revenue may by regulations provide that if—

- (a) a scheme pension payable by an insurance company selected by the scheme administrator of a registered pension scheme (“the original scheme pension”) ceases to be payable, and
 (b) in consequence of the transfer of sums or assets (or both) from the insurance company to another insurance company in connection with the original scheme pension ceasing to be payable, another scheme pension becomes payable by the other insurance company (“the new scheme pension”),

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the new scheme pension is to be treated, to such extent as is prescribed by the regulations and for such of the purposes of this Part as are so prescribed, as if it were the original scheme pension.]

- (7) A relevant 12 month period is any 12 month period which—
- (a) begins on or after the first anniversary of the day on which the member becomes entitled to the pension, and
 - (b) ends before the day on which the pension ceases to be payable.

[^{F16}(8) Regulations under sub-paragraph [^{F17}(4)(e) or (h) ^{F18}...] may include provision having effect in relation to times before they are made.]

[^{F19}(9) Where, under a collective money purchase arrangement—

- (a) a scheme pension has become payable to the member, and
- (b) the member subsequently becomes entitled to income payable by virtue of section 36(7)(b) or 87(7)(b) of the Pension Schemes Act 2021 (periodic income paid while pursuing continuity option 1),

the income so payable is to be treated for the purposes of this Part as a continuation of the scheme pension.

- (10) Where, under a collective money purchase arrangement—
- (a) the member becomes entitled to income payable by virtue of section 36(7)(b) or 87(7)(b) of the Pension Schemes Act 2021 (periodic income paid while pursuing continuity option 1), and
 - (b) no scheme pension was previously payable to the member,
- the income so payable is to be treated for the purposes of this Part as a scheme pension.]

Textual Amendments

- F1** Sch. 28 para. 2(1) repealed (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 11\(2\), 64\(1\)](#), [Sch. 11 Pt. 4](#)
- F2** Word in Sch. 28 para. 2(2) substituted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 11\(3\)](#), 64(1)
- F3** Words in Sch. 28 para. 2(3)(b) substituted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 11\(4\)\(a\)](#), 64(1)
- F4** Words in Sch. 28 para. 2(3)(b) substituted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 11\(4\)\(b\)](#), 64(1)
- F5** Sch. 28 para. 2(3A) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 11\(5\)](#), 64(1)
- F6** Sch. 28 para. 2(4)(a) substituted (retrospectively) by [Finance Act 2007 \(c. 11\)](#), [Sch. 20 paras. 7\(2\)](#), 24(3)
- F7** Word in Sch. 28 para. 2(4)(b) repealed (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 11\(6\)](#), 64(1), [Sch. 11 Pt. 4](#)
- F8** [Sch. 28 para. 2\(4\)\(c\)](#) omitted (with effect in accordance with s. 20(6) of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), [s. 20\(2\)\(6\)](#); S.I. 2016/1005, [reg. 2](#) (with [regs. 1\(2\)](#), 3, 4)
- F9** Sch. 28 para. 2(4)(d)-(h) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 11\(6\)](#), 64(1)
- F10** Sch. 28 para. 2(4A) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 11\(7\)](#), 64(1)
- F11** [Sch. 28 para. 2\(4B\)](#) omitted (with effect in accordance with s. 20(6) of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), [s. 20\(3\)\(6\)](#); S.I. 2016/1005, [reg. 2](#) (with [regs. 1\(2\)](#), 3, 4)
- F12** [Sch. 28 para. 2\(5\)](#) omitted (with effect in accordance with s. 20(6) of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), [s. 20\(3\)\(6\)](#); S.I. 2016/1005, [reg. 2](#) (with [regs. 1\(2\)](#), 3, 4)
- F13** [Sch. 28 para. 2\(5A\)](#) omitted (with effect in accordance with s. 20(6) of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), [s. 20\(3\)\(6\)](#); S.I. 2016/1005, [reg. 2](#) (with [regs. 1\(2\)](#), 3, 4)

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- F14** Sch. 28 para. 2(6)(aa) inserted (22.2.2007) by [The Tax and Civil Partnership Regulations 2007 \(S.I. 2007/493\)](#), regs. 1, **2(2)**
- F15** Sch. 28 para. 2(6A) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 paras. 11(8)**, 64(1)
- F16** Sch. 28 para. 2(8) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 paras. 11(9)**, 64(1)
- F17** Words in Sch. 28 para. 2(8) substituted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\)](#), s. 161(2), **Sch. 23 para. 20(4)**
- F18** Words in [Sch. 28 para. 2\(8\)](#) omitted (with effect in accordance with s. 20(6) of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), **s. 20(4)(6)**; S.I. 2016/1005, reg. 2 (with regs. 1(2), 3, 4)
- F19** [Sch. 28 para. 2\(9\)\(10\)](#) inserted (1.8.2022) by [Finance Act 2021 \(c. 26\)](#), **Sch. 5 paras. 20(2)**, 25(1); S.I. 2022/874, reg. 2

Modifications etc. (not altering text)

- C2** [Sch. 28 para. 2\(3\)](#) modified (6.4.2023) by [The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) Regulations 2023 \(S.I. 2023/113\)](#), regs. 1(2), **27(3)** (with reg. 1(3))

^{F20}2A (1) Where this paragraph applies in relation to a pension payable to the member, the pension scheme is to be treated as making an unauthorised payment to the member of the appropriate amount.

- (2) This paragraph applies to a pension if it fails to satisfy the condition in sub-paragraph (3) of paragraph 2—
- (a) by reason of not complying with paragraph (a) of that sub-paragraph, or
 - (b) by reason of not complying with paragraph (b) of that sub-paragraph because a substantial reduction occurs in the rate of the pension,

or if it is a pension ^{F21}which is reduced in accordance with paragraph (a) of sub-paragraph (4) of paragraph 2, or the rate of which is reduced in accordance with paragraph (b) of that sub-paragraph, and] the reduction is part of avoidance arrangements.

- (3) For the purposes of sub-paragraph (2)(b) a substantial reduction occurs in the rate of a pension if the rate at which the pension is payable at any time during any relevant 12 month period (within the meaning of paragraph 2(7)) is less than 80% of the rate payable when the member became entitled to the pension.

[But for the purposes of sub-paragraph (2)(b), no substantial reduction occurs in the ^{F22}(3A) rate of a pension if—

- (a) the pension is payable in respect of a collective money purchase arrangement, and
- (b) the reduction is in accordance with the rules of the scheme.]

- (4) For the purposes of sub-paragraph (2) “avoidance arrangements” includes schemes, arrangements and understandings of any kind (whether or not legally enforceable) the main purpose, or one of the main purposes, of which is to increase the member’s entitlement to a lump sum on which there is no liability to income tax.

- (5) “The appropriate amount”, in relation to the pension, is the amount of any lump sum on which there is no liability to tax to which the member became entitled in connection with the pension.

- (6) Once this paragraph has applied in relation to the pension, it does not apply in relation to it again.

- (7) The application of this paragraph in relation to the pension does not prevent any payments of the pension themselves being unauthorised member payments.]

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Textual Amendments

- F20** Sch. 28 para. 2A inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 12](#), 64(1)
F21 Words in Sch. 28 para. 2A(2) substituted (19.7.2007) (with effect in accordance with Sch. 20 para. 24(4) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 20 para. 7\(3\)](#)
F22 [Sch. 28 para. 2A\(3A\)](#) inserted (1.8.2022) by [Finance Act 2021 \(c. 26\)](#), [Sch. 5 paras. 20\(3\)](#), 25(1); [S.I. 2022/874](#), reg. 2

Money purchase arrangements

Lifetime annuity

- 3 (1) For the purposes of this Part an annuity payable to the member is a lifetime annuity if—
- (a) it is payable by an insurance company,
 - (b) the member had an opportunity to select the insurance company,
 - ^{F23}(ba) the member becomes entitled to it before 6 April 2015,]
 - (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 not exceeding ten years, and
 - ^{F24}(d) its amount either cannot decrease or falls to be determined in any manner prescribed by regulations made by the Board of Inland Revenue.]
- ^{F25}(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.]
- (2) An annuity is payable until the end of a term certain even if it may, after the death of the member during the term, end on the annuitant—
- (a) marrying,
 - ^{F26}(aa) entering into a civil partnership,]
 - (b) reaching the age of 18, or
 - (c) ceasing to be in full-time education.
- ^{F27}(2A) An annuity does not fail to satisfy sub-paragraph (1)(d) by reason of the operation of
- ^{F28}(a) [a pension sharing order or provision ^{F29}, or]
 - ^{F30}(b) [an order under section 377A of the Financial Services and Markets Act 2000 (court order writing down liabilities of insurer).]
- (2B) The Board of Inland Revenue may by regulations make provision in relation to cases in which a lifetime annuity payable by an insurance company (“the original lifetime annuity”) ceases to be payable and in consequence of that—
- (a) sums or assets (or both) are transferred from the insurance company to another insurance company and are applied towards the provision of either another lifetime annuity (a “new lifetime annuity”) or a scheme pension, short-term annuity, dependants' scheme pension, dependants' annuity^{F31}, nominees' annuity] or dependants' short-term annuity by the other insurance company, or

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(b) sums or assets are transferred to the relevant registered pension scheme.

(2C) The regulations may provide that—

- [in a case where—
- ^{F32}(za) (i) a new annuity becomes payable,
 (ii) the member becomes entitled to it on or after 6 April 2015,
 (iii) it would be a lifetime annuity if any provision made under this paragraph were ignored,
 (iv) the terms of the contract for it are such that there will or could be decreases in its amount other than allowed decreases (see sub-paragraph (2E)), and
 (v) any other conditions prescribed by the regulations are met,
 the new annuity is not a lifetime annuity for the purposes of this Part,]
- (a) in a case where a new lifetime annuity becomes payable, the new lifetime annuity is to be treated, to such extent as is prescribed by the regulations and for such of the purposes of this Part as are so prescribed, as if it were the original lifetime annuity, and
- (b) in [^{F33}a case other than one where a new lifetime annuity becomes payable], the relevant registered pension scheme is to be treated as making an unauthorised payment to the member of an amount equal to the aggregate of the amount of the sums, and the market value of the assets, transferred.

^{F34}(2CA)

(2D) For the purposes of sub-paragraphs (2B) and (2C) a registered pension scheme is the relevant registered pension scheme if the original lifetime annuity was acquired using sums or assets held for the purposes of the pension scheme.]

[^{F35}(2E) In sub-paragraph (2C)(za)(iv) “allowed decreases” means decreases from time to time allowed by regulations under sub-paragraph (1)(d); and any such regulations are to be treated as having effect for this purpose.]

^{F36}(3)

^{F36}(4)

^{F36}(5)

^{F36}(6)

Textual Amendments

- F23** Sch. 28 para. 3(1)(ba) inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 1 para. 43**
- F24** Sch. 28 para. 3(1)(d) substituted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 paras. 13(2)**, 64(1)
- F25** Sch. 28 para. 3(1A) inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 1 para. 37**
- F26** Sch. 28 para. 3(2)(aa) inserted (22.2.2007) by [The Tax and Civil Partnership Regulations 2007 \(S.I. 2007/493\)](#), regs. 1, **2(2)**
- F27** Sch. 28 para. 3(2A)-(2D) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 paras. 13(3)**, 64(1)
- F28** Words in Sch. 28 para. 3(2A) renumbered as Sch. 28 para. 3(2A)(a) (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), **s. 33(2)(a)**
- F29** Word in Sch. 28 para. 3(2A)(a) inserted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), **s. 33(2)(b)**
- F30** Sch. 28 para. 3(2A)(b) inserted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), **s. 33(2)(c)**
- F31** Words in Sch. 28 para. 3(2B)(a) inserted (26.3.2015) by [Finance Act 2015 \(c. 11\)](#), **Sch. 4 para. 13(2)**

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- F32** Sch. 28 para. 3(2C)(za) inserted (17.12.2014) by Taxation of Pensions Act 2014 (c. 30), **Sch. 1 para. 44(1)(a)**
- F33** Words in Sch. 28 para. 3(2C)(b) substituted (17.12.2014) by Taxation of Pensions Act 2014 (c. 30), **Sch. 1 para. 44(1)(b)**
- F34** Sch. 28 para. 3(2CA) omitted (21.7.2009) by virtue of Finance Act 2009 (c. 10), s. 75(2)(d)
- F35** Sch. 28 para. 3(2E) inserted (17.12.2014) by Taxation of Pensions Act 2014 (c. 30), **Sch. 1 para. 44(2)**
- F36** Sch. 28 para. 3(3)-(6) repealed (6.4.2006) by Finance Act 2005 (c. 7), Sch. 10 paras. 13(4), 64(1), **Sch. 11 Pt. 4**

[^{F37}Drawdown pension]

Textual Amendments

- F37** Sch. 28 para. 4 cross-heading substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by Finance Act 2011 (c. 11), **Sch. 16 para. 3(2)**

- 4 “^{F38}Drawdown pension]” means—
- (a) a short-term annuity, or
 - (b) income withdrawal.

Textual Amendments

- F38** Words in Sch. 28 para. 4 substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by Finance Act 2011 (c. 11), **Sch. 16 para. 3(1)**

- ^{F39}5

Textual Amendments

- F39** Sch. 28 para. 5 omitted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by virtue of Finance Act 2011 (c. 11), **Sch. 16 para. 78(a)**

Short-term annuity

- 6 (1) [^{F40}For the purposes of this Part an] annuity payable to the member is a short-term annuity if—
- (a) it is purchased by the application of sums or assets representing the whole or any part of the [^{F41}member's drawdown pension fund] in respect of an arrangement,
 - (b) it is payable by an insurance company,
 - (c) the member had an opportunity to select the insurance company,
 - ^{F42}(ca) the member becomes entitled to it before 6 April 2015,]
 - (d) it is payable for a term which does not exceed five years ^{F43}..., and
 - ^{F44}(e) its amount either cannot decrease or falls to be determined in any manner prescribed by regulations made by the Board of Inland Revenue.]

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[^{F45}(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.]

[^{F46}(1A) An annuity does not fail to satisfy sub-paragraph (1)(e) by reason of the operation of a pension sharing order or provision.

(1B) The Board of Inland Revenue may by regulations make provision in relation to cases in which a short-term annuity payable by an insurance company (“the original short-term annuity”) ceases to be payable and in consequence of that—

- (a) sums or assets (or both) are transferred from the insurance company to another insurance company and are applied towards the provision of either another short-term annuity (a “new short-term annuity”) or a scheme pension, lifetime annuity, dependants' scheme pension, dependants' annuity[^{F47}, nominees' annuity] or dependants' short-term annuity by the other insurance company, or
- (b) sums or assets are transferred to the relevant registered pension scheme.

(1C) The regulations may provide that—

[in a case where—

- ^{F48}(za) (i) a new annuity becomes payable,
- (ii) the member becomes entitled to it on or after 6 April 2015,
- (iii) it would be a short-term annuity if any provision made under this paragraph were ignored,
- (iv) the terms of the contract for it are such that there will or could be decreases in its amount other than allowed decreases (see sub-paragraph (1E)), and
- (v) any other conditions prescribed by the regulations are met,

the new annuity is not a short-term annuity for the purposes of this Part.]

- (a) in a case where a new short-term annuity becomes payable, the new short-term annuity is to be treated, to such extent as is prescribed by the regulations and for such of the purposes of this Part as are so prescribed, as if it were the original short-term annuity, and
- (b) in [^{F49}a case other than one where a new short-term annuity becomes payable], the relevant registered pension scheme is to be treated as making an unauthorised payment to the member of an amount equal to the aggregate of the amount of the sums, and the market value of the assets, transferred.

(1D) For the purposes of sub-paragraphs (1B) and (1C) a registered pension scheme is the relevant registered pension scheme if the original short-term annuity was acquired using sums or assets held for the purposes of the pension scheme.]

[^{F50}(1E) In sub-paragraph (1C)(za)(iv) “allowed decreases” means decreases from time to time allowed by regulations under sub-paragraph (1)(e); and any such regulations are to be treated as having effect for this purpose.]

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^{F51}(2)

Textual Amendments

- F40** Words in Sch. 28 para. 6(1) substituted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 14\(2\)](#), 64(1)
- F41** Words in Sch. 28 para. 6(1)(a) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 4\(a\)](#)
- F42** Sch. 28 para. 6(1)(ca) inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 45](#)
- F43** Words in Sch. 28 para. 6(1)(d) omitted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 4\(b\)](#)
- F44** Sch. 28 para. 6(1)(e) substituted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 14\(3\)](#), 64(1)
- F45** Sch. 28 para. 6(1ZA) inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 38](#)
- F46** Sch. 28 para. 6(1A)-(1D) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 14\(4\)](#), 64(1)
- F47** Words in Sch. 28 para. 6(1B)(a) inserted (26.3.2015) by [Finance Act 2015 \(c. 11\)](#), [Sch. 4 para. 13\(3\)](#)
- F48** Sch. 28 para. 6(1C)(za) inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 46\(1\)\(a\)](#)
- F49** Words in Sch. 28 para. 6(1C)(b) substituted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 46\(1\)\(b\)](#)
- F50** Sch. 28 para. 6(1E) inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 46\(2\)](#)
- F51** Sch. 28 para. 6(2) repealed (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 14\(5\)](#), 64(1), [Sch. 11 Pt. 4](#)

Modifications etc. (not altering text)

- C3** Sch. 28 para. 6 modified (27.7.2010) by [Finance \(No. 2\) Act 2010 \(c. 31\)](#), [Sch. 3 para. 3\(1\)](#)
- C4** Sch. 28 para. 6 modified (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 87](#)

Income withdrawal

[^{F527} Income withdrawal” means an amount (other than an annuity) which the member is entitled to be paid from the member's drawdown pension fund in respect of an arrangement [^{F53}or from the member's flexi-access drawdown fund in respect of an arrangement].]

Textual Amendments

- F52** Sch. 28 para. 7 substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 5](#)
- F53** Words in Sch. 28 para. 7 inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 19](#)

Modifications etc. (not altering text)

- C5** Sch. 28 para. 7 modified (27.7.2010) by [Finance \(No. 2\) Act 2010 \(c. 31\)](#), [Sch. 3 para. 2\(1\)\(2\)\(b\)\(i\)](#) (with [Sch. 2 para. 2\(1\)](#))

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[^{F54}Member's drawdown pension fund]

Textual Amendments

F54 Sch. 28 para. 8 cross-heading substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 16 para. 6(6)**

8 (1) For the purposes of this Part the [^{F55}member's drawdown pension fund] in respect of an arrangement consists of such of the sums or assets held for the purposes of the arrangement [^{F56}as are member-designated funds.]

[^{F57}(1A) For the purposes of this Part sums or assets held for the purposes of an arrangement are member-designated funds if ^{F58}...—

(a) [^{F59}they have, at any time before 6 April 2015, been designated] under the arrangement as available for the payment of [^{F60}drawdown pension],

[they have, at any time on or after 6 April 2015, been designated under the
^{F61}(aa) 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.] or

(b) [^{F62}they] arise, or (directly or indirectly) derive, from [^{F63}member-designated funds under paragraph (a) or (aa) or from sums or assets] which so arise or derive,

and have not been applied towards the provision of a scheme pension.]

^{F64}(2)

^{F64}(3)

[^{F65}(4) If any sums or assets representing the member's [^{F66}drawdown pension fund] in respect of an arrangement under the pension scheme would (apart from this subparagraph) come to be taken to represent another unsecured pension fund of his under the pension scheme, or a dependant's [^{F66}drawdown pension fund] of his under the pension scheme, they are to be treated as not doing so.]

Textual Amendments

F55 Words in Sch. 28 para. 8(1) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 16 para. 6(2)**

F56 Words in Sch. 28 para. 8(1) substituted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 paras. 18(2)**, 64(1)

F57 Sch. 28 para. 8(1A) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 paras. 18(3)**, 64(1)

F58 Word in Sch. 28 para. 8(1A) omitted (17.12.2014) by virtue of [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 1 para. 2(a)**

F59 Words in Sch. 28 para. 8(1A)(a) substituted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 1 para. 2(b)**

F60 Words in Sch. 28 para. 8(1A)(a) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 16 para. 6(3)**

F61 Sch. 28 para. 8(1A)(aa) inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 1 para. 2(c)**

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- F62** Word in Sch. 28 para. 8(1A)(b) inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 2\(d\)\(i\)](#)
- F63** Words in Sch. 28 para. 8(1A)(b) substituted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 2\(d\)\(ii\)](#)
- F64** Sch. 28 para. 8(2)(3) omitted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 6\(4\)](#)
- F65** Sch. 28 para. 8(4) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 18\(5\)](#), 64(1)
- F66** Words in Sch. 28 para. 8(4) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 6\(5\)](#)

Modifications etc. (not altering text)

- C6** Sch. 28 para. 8 modified (6.4.2006) by [The Taxation of Pension Schemes \(Transitional Provisions\) Order 2006 \(S.I. 2006/572\)](#), arts. 1(1), [29\(1\)-\(3\)](#)
- C7** Sch. 28 para. 8 modified (27.7.2010) by [Finance \(No. 2\) Act 2010 \(c. 31\)](#), [Sch. 3 para. 8\(1\)\(2\)](#)
- C8** Sch. 28 para. 8(1A) modified (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 88](#)

^{F67}Member's flexi-access drawdown fund

Textual Amendments

- F67** Sch. 28 paras. 8A-8D and cross-headings inserted (17.12.2014) (with effect in accordance with Sch. 1 para. 3(2) of the amending Act) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 3\(1\)](#)

- 8A** (1) For the purposes of this Part the member's flexi-access drawdown fund in respect of an arrangement consists of such of the sums or assets held for the purposes of the arrangement as are newly-designated funds.
- (2) For the purposes of this Part sums or assets held for the purposes of an arrangement are newly-designated funds if—
- (a) they—
- (i) have, at any time on or after 6 April 2015, been designated under the arrangement as available for the payment of drawdown pension, and
- (ii) are not member-designated funds, or
- (b) they were member-designated funds immediately before 6 April 2015 and section 165(3A) applied to the arrangement at that time, or
- (c) they have become newly-designated funds by the operation of paragraph 8B, 8C or 8D, or
- (d) they arise, or (directly or indirectly) derive, from newly-designated funds under paragraph (a), (b) or (c) or from sums or assets which so arise or derive.
- (3) Any sums or assets that become newly-designated funds under sub-paragraph (2)(b) cease to be member-designated funds as from the start of 6 April 2015.

Conversion of certain drawdown pension funds into flexi-access drawdown funds

- 8B** (1) Sub-paragraph (2) applies if—
- (a) a member's drawdown pension fund in respect of an arrangement came into being before 6 April 2015,
- (b) section 165(3A) did not apply to the arrangement immediately before 6 April 2015, and

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- (c) at a time on or after 6 April 2015, a payment—
- (i) of income withdrawal from the fund, or
 - (ii) of a short-term annuity purchased using sums or assets out of the fund,
- is made that (apart from sub-paragraph (2)) would breach the cap.
- (2) The sums and assets that make up the fund immediately before the payment is made become newly-designated funds immediately before the payment is made (so that the payment is made out of the member's flexi-access drawdown fund in respect of the arrangement and therefore is not part of the total capped by pension rule 5).
- (3) For the purposes of sub-paragraph (1)(c), a payment of drawdown pension in respect of an arrangement is one that would breach the cap if, when its amount is added to the amounts of any drawdown pension in respect of the arrangement—
- (a) paid—
 - (i) before it is made, but
 - (ii) in the same drawdown pension year in respect of the arrangement, or
 - (b) paid at the time it is made,
- the total is greater than the cap set by pension rule 5 for that drawdown pension year.
- 8C (1) Sub-paragraph (2) applies if—
- (a) a member's drawdown pension fund in respect of an arrangement came into being before 6 April 2015,
 - (b) section 165(3A) did not apply to the arrangement immediately before 6 April 2015, and
 - (c) the member notifies the [^{F68}scheme manager] that the member wishes the fund to become the member's flexi-access drawdown fund in respect of the arrangement.
- (2) At—
- (a) the time the [^{F68}scheme manager] accepts the notification, or
 - (b) the start of 6 April 2015 if that is later,
- the sums and assets that then make up that fund become newly-designated funds, if they have not previously done so by the operation of paragraph 8B.

Textual Amendments

F68 Words in Sch. 28 paras. 8C, 8D substituted by S.I. 2006/207, reg. 14(3)(ba) (as inserted (6.4.2015) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 33\(3\)\(a\)\(4\)](#) (with [Sch. 1 para. 33\(5\)](#))

- 8D (1) Sub-paragraphs (2) and (3) apply if—
- (a) there is a recognised transfer from one registered pension scheme (“the old scheme”) to another registered pension scheme (“the new scheme”) of member-designated funds held for the purposes of an arrangement under the old scheme, and
 - (b) the sums or assets transferred are, under the arrangement under the new scheme for whose purposes they are first held after the transfer, designated as available for the payment of drawdown pension.

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- (2) If the member, when or before making the designation, notifies the [^{F68}scheme manager] of the new scheme that the member wishes the sums or assets to be newly-designated funds, the sums or assets become newly-designated funds and do so—
- (a) when the designation is made, or
 - (b) if later, immediately after the transfer,
- except that, if both the designation and transfer are made before 6 April 2015, the sums or assets become newly-designated funds at the start of 6 April 2015.
- (3) If sub-paragraph (2) does not provide for the sums or assets to become newly-designated funds, the sums or assets become member-designated funds and do so—
- (a) when the designation is made, or
 - (b) if later, immediately after the transfer.]

Textual Amendments

F68 Words in Sch. 28 paras. 8C, 8D substituted by S.I. 2006/207, reg. 14(3)(ba) (as inserted (6.4.2015) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 33\(3\)\(a\)\(4\)](#) (with [Sch. 1 para. 33\(5\)](#))

[^{F69}Drawdown pension year and basis amount for drawdown pension year]

Textual Amendments

F69 Sch. 28 para. 9 cross-heading substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 7\(4\)](#)

- 9 (1) [^{F70}“Drawdown pension year”] means—
- (a) the period of 12 months beginning with the day on which the member first becomes entitled to [^{F71}drawdown pension] in respect of the arrangement, and
 - (b) each succeeding period of 12 months.
- [^{F72}This is subject to paragraph 10B.]

[^{F73}(2) The drawdown pension year in which the member dies is the last drawdown pension year and ends immediately before the member's death.]

Textual Amendments

F70 Words in Sch. 28 para. 9(1) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 7\(2\)\(a\)](#)

F71 Words in Sch. 28 para. 9(1)(a) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 7\(2\)\(b\)](#)

F72 Words in Sch. 28 para. 9(1) inserted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 7\(2\)\(c\)](#)

F73 Sch. 28 para. 9(2) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 7\(3\)](#)

Modifications etc. (not altering text)

C9 Sch. 28 para. 9(1) modified (6.4.2006) by [The Taxation of Pension Schemes \(Transitional Provisions\) Order 2006 \(S.I. 2006/572\)](#), arts. 1(1), [29\(1\)\(2\)\(4\)](#)

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- C10** Sch. 28 para. 9(1)(a) modified (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 92\(2\)](#)
- C11** Sch. 28 para. 9(1)(a) modified (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 89\(2\)](#)
- C12** Sch. 28 para. 9(1)(a) modified (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 93\(2\)](#)
- C13** Sch. 28 para. 9(1)(a) modified (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 92\(4\)](#)
- C14** Sch. 28 para. 9(2) modified (27.7.2010) by [Finance \(No. 2\) Act 2010 \(c. 31\)](#), [Sch. 3 para. 2\(1\)\(2\)\(b\)\(ii\)](#) (with [Sch. 2 para. 2\(1\)](#))

Unsecured pension year and basis amount for unsecured pension year

1^{F74}(A1) This paragraph applies in relation to drawdown pension years beginning on or before the member's 75th birthday.

(1) Subject as follows, the period of three drawdown pension years beginning with the first drawdown pension year, and each succeeding period of three drawdown pension years, is a “reference period”.

(1ZA) But the reference period in which the member reaches the age of 75 ends with the drawdown pension year in which the member reaches that age.]

1^{F75}(1A) Sub-paragraph (1B) applies if, at any time during a reference period (“the current reference period”), the member notifies the scheme administrator that the member wishes a new reference period to begin on the next day that is an anniversary of the reference date in relation to the current reference period.

(1B) The scheme administrator may determine—

- (a) that the current reference period is to end immediately before that day (so that sub-paragraph (1) no longer applies), and
- (b) that (subject to 1^{F76}sub-paragraph (1ZA) and] any further operation of this sub-paragraph) the period of 1^{F77}three drawdown pension years] beginning with that day, and each succeeding period of 1^{F77}three drawdown pension years], is to be a reference period.

(1C) The first day of each reference period is, in relation to that period, “the reference date”.]

(2) For the first 1^{F78}drawdown pension year] falling within a reference period, the basis amount is the annual amount of the relevant annuity which could have been purchased by the application of the sums and assets representing the 1^{F79}member's drawdown pension fund] on the nominated date (but subject to sub-paragraph (5)).

(3) “The nominated date”—

- (a) in relation to the first reference period, is the reference date, and
- (b) in relation to any subsequent reference period, is such day, within the period of 60 days ending with the reference date, as is nominated by the scheme administrator (or, if no day is nominated by the scheme administrator, is the reference date).

(4) For each other 1^{F80}drawdown pension year] falling within a reference period, the basis amount is the annual amount of the relevant annuity which could have been

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purchased by the application of the sums and assets representing the [^{F81}member's drawdown pension fund]—

- (a) if there has been no recent annuity purchase^{F82}, recent additional fund designation or recent pension sharing event], on the nominated date, and
- (b) otherwise, immediately after the last annuity purchase^{F83}, additional fund designation or pension sharing event],

(but subject to sub-paragraph (5)).

(5) On the occasion of each additional fund designation during [^{F84}a drawdown pension year], the basis amount for [^{F85}that drawdown pension year] is to be recalculated in accordance with sub-paragraph (6).

(6) The basis amount for the [^{F86}drawdown pension year] is the annual amount of the relevant annuity which could have been purchased by the application of the sums and assets representing the [^{F87}member's drawdown pension fund] immediately after the additional fund designation.

[^{F88}(6A) But sub-paragraph (5) does not apply where the operation of that sub-paragraph in relation to an additional fund designation during a drawdown pension year would reduce the basis amount for that drawdown pension year.]

(7) “Annuity purchase” means the purchase of a scheme pension or a lifetime annuity by the application of sums or assets representing the whole or part of the [^{F89}member's drawdown pension fund].

(8) “Additional fund designation” means the designation under the arrangement of further sums or assets held for the purposes of the arrangement as available for the payment of [^{F90}drawdown pension].

[^{F91}(8A) “Pension sharing event” means the coming into operation of a pension sharing order or provision relating to the sums and assets representing the [^{F92}member's drawdown pension fund].]

(9) An annuity purchase^{F93}, additional fund designation or pension sharing event] is “recent” if it took place during the period—

- (a) beginning with the reference date, and
- (b) ending with the last day of the immediately preceding [^{F94}drawdown pension year].

(10) Paragraph 14 defines “relevant annuity”.

^{F95}(11)

Textual Amendments

- F74** Sch. 28 para. 10(1)(1ZA)(A1) substituted for Sch. 28 para. 10(1) (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(2\)](#)
- F75** Sch. 28 para. 10(1)-(1C) substituted (19.7.2007) for Sch. 28 para. 10(1) (with effect in accordance with Sch. 20 para. 24(5) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 20 para. 8\(2\)](#)
- F76** Words in Sch. 28 para. 10(1B)(b) inserted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(3\)\(a\)](#)
- F77** Words in Sch. 28 para. 10(1B)(b) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(3\)\(b\)](#)

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- F78** Words in Sch. 28 para. 10(2) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(4\)\(a\)](#)
- F79** Words in Sch. 28 para. 10(2) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(4\)\(b\)](#)
- F80** Words in Sch. 28 para. 10(4) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(4\)\(a\)](#)
- F81** Words in Sch. 28 para. 10(4) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(4\)\(b\)](#)
- F82** Words in Sch. 28 para. 10(4)(a) substituted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 19\(2\)\(a\)](#), [64\(1\)](#)
- F83** Words in Sch. 28 para. 10(4)(b) substituted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 19\(2\)\(b\)](#), [64\(1\)](#)
- F84** Words in Sch. 28 para. 10(5) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(5\)\(a\)](#)
- F85** Words in Sch. 28 para. 10(5) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(5\)\(b\)](#)
- F86** Words in Sch. 28 para. 10(6) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(6\)\(a\)](#)
- F87** Words in Sch. 28 para. 10(6) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(6\)\(b\)](#)
- F88** Sch. 28 para. 10(6A) inserted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(7\)](#)
- F89** Words in Sch. 28 para. 10(7) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(8\)](#)
- F90** Words in Sch. 28 para. 10(8) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(9\)](#)
- F91** Sch. 28 para. 10(8A) inserted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 19\(3\)](#), [64\(1\)](#)
- F92** Words in Sch. 28 para. 10(8A) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(10\)](#)
- F93** Words in Sch. 28 para. 10(9) substituted (6.4.2006) by [Finance Act 2005 \(c. 7\)](#), [Sch. 10 paras. 19\(4\)](#), [64\(1\)](#)
- F94** Words in Sch. 28 para. 10(9)(b) substituted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 8\(11\)](#)
- F95** Sch. 28 para. 10(11) omitted (6.4.2015) by virtue of [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 32\(1\)\(e\)\(i\)\(4\)](#)

Modifications etc. (not altering text)

- C15** Sch. 28 para. 10 modified (6.4.2006) by [The Taxation of Pension Schemes \(Transitional Provisions\) Order 2006 \(S.I. 2006/572\)](#), arts. 1(1), 3, 5(1)(2)
- C16** Sch. 28 para. 10 modified (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 90\(2\)\(b\)](#)
- C17** Sch. 28 para. 10(4) applied (with modifications) (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 90\(7\)](#)
- C18** Sch. 28 para. 10(7)-(8A) modified (with effect in accordance with Sch. 16 para. 85 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 90\(8\)](#)

^{F96}10A(1) This paragraph applies in relation to drawdown pension years beginning after the member's 75th birthday.

(2) For the first drawdown pension year beginning after the member reached the age of 75, and each succeeding drawdown pension year, the basis amount is the annual amount of the relevant annuity which could have been purchased by the application

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of the sums and assets representing the member's drawdown pension fund on the nominated date.

- (3) In a case where the member first becomes entitled to drawdown pension in respect of the arrangement after reaching the age of 75, “the nominated date”, in relation to the first drawdown pension year in respect of the arrangement, is the first day of that year.
- (4) In any other case, “the nominated date”, in relation to the first drawdown pension year beginning after the member reached the age of 75, is—
 - (a) if the member and the scheme administrator so agree, the day immediately before the member's 75th birthday, or
 - (b) if they do not so agree, such day within the period of 60 days ending with the first day of the drawdown pension year as is nominated by the scheme administrator (or, if no day is nominated by the scheme administrator, the first day of that year).
- (5) “The nominated date”, in relation to each other drawdown pension year, is such day within the period of 60 days ending with the first day of the drawdown pension year as is nominated by the scheme administrator (or, if no day is nominated by the scheme administrator, is the first day of that year).
- (6) On the occasion of each additional fund designation during a drawdown pension year, the basis amount of that drawdown pension year is to be recalculated in accordance with sub-paragraph (7).
- (7) The basis amount for the drawdown pension year is the annual amount of the relevant annuity which could have been purchased by the application of the sums and assets representing the member's drawdown pension fund immediately after the additional fund designation.
- (8) But sub-paragraph (6) does not apply where the operation of that sub-paragraph in relation to an additional fund designation during a drawdown pension year would reduce the basis amount for that drawdown pension year.
- (9) “Additional fund designation” has the meaning given by paragraph 10(8).
- (10) Paragraph 14 defines “relevant annuity”.

^{F97}(11)

Textual Amendments

- F96** Sch. 28 paras. 10A, 10B inserted (with effect in accordance with Sch. 16 paras. 85, 91(3) of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 9](#)
- F97** Sch. 28 para. 10A(11) omitted (6.4.2015) by virtue of [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 32\(1\)\(e\)\(ii\)\(4\)](#)

- 10B (1) This paragraph applies if the member has reached the age of 75.
- (2) Sub-paragraph (3) applies if, at any time during a drawdown pension year in respect of an arrangement (“the current drawdown pension year”), the member notifies the scheme administrator that the member wishes the drawdown pension year following the current drawdown pension year to begin on the day on which the next drawdown pension year in respect of another arrangement relating to the member under the

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pension scheme (including any arrangement relating to that person as a dependant) will begin.

- (3) The scheme administrator may determine—
 - (a) that the current drawdown pension year is to end immediately before that day, and
 - (b) that the period of 12 months beginning with that day, and each succeeding period of 12 months, is a drawdown pension year in respect of the arrangement.
- (4) The scheme administrator may not make a determination under this paragraph more than once in relation to the same arrangement.]

Textual Amendments
F96 Sch. 28 paras. 10A, 10B inserted (with effect in accordance with Sch. 16 paras. 85, 91(3) of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 9](#)

Member’s alternatively secured pension fund

F98¹¹

Textual Amendments
F98 Sch. 28 paras. 11-13 omitted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 78\(b\)](#)

Alternatively secured pension year and basis amount for alternatively secured pension year

F98¹²

Textual Amendments
F98 Sch. 28 paras. 11-13 omitted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 78\(b\)](#)

Alternatively secured pension year and basis amount for alternatively secured pension year

F98¹³

Textual Amendments
F98 Sch. 28 paras. 11-13 omitted (with effect in accordance with Sch. 16 para. 85 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 78\(b\)](#)

Relevant annuity

- 14 (1) A “relevant annuity” is an annuity of a description prescribed by regulations made by the Board of Inland Revenue.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2004. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (2) The annual amount of a relevant annuity is to be ascertained in accordance with regulations made by the Board of Inland Revenue.
- (3) The regulations may in particular provide for the annual amount to be ascertained by reference to—
- (a) comparative annuity tables published by the [^{F99}Financial Conduct Authority or the Prudential Regulation Authority], or
 - (b) material published by any other person.

Textual Amendments

F99 Words in Sch. 28 para. 14(3)(a) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 18 para. 100](#) (with [Sch. 20](#)); [S.I. 2013/423, art. 3, Sch.](#)

Minimum income requirement

^{F100}14A

Textual Amendments

F100 Sch. 28 paras. 14A-14E omitted (6.4.2015) by virtue of [Taxation of Pensions Act 2014 \(c. 30\), Sch. 1 para. 32\(1\)\(e\)\(iii\)\(4\)](#)

^{F100}14B

Textual Amendments

F100 Sch. 28 paras. 14A-14E omitted (6.4.2015) by virtue of [Taxation of Pensions Act 2014 \(c. 30\), Sch. 1 para. 32\(1\)\(e\)\(iii\)\(4\)](#)

The relevant day

^{F100}14C

Textual Amendments

F100 Sch. 28 paras. 14A-14E omitted (6.4.2015) by virtue of [Taxation of Pensions Act 2014 \(c. 30\), Sch. 1 para. 32\(1\)\(e\)\(iii\)\(4\)](#)

Relevant contributions

^{F100}14D

Textual Amendments

F100 Sch. 28 paras. 14A-14E omitted (6.4.2015) by virtue of [Taxation of Pensions Act 2014 \(c. 30\), Sch. 1 para. 32\(1\)\(e\)\(iii\)\(4\)](#)

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Valid and accepted declarations

F100 14E

Textual Amendments

F100 Sch. 28 paras. 14A-14E omitted (6.4.2015) by virtue of [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 32\(1\)\(e\)\(iii\)\(4\)](#)

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 236ZA inserted by [S.I. 2024/357 art. 2\(2\)](#)