

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

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 2

PENSION DEATH BENEFIT RULES

^{F1}^{F2}Successors' annuity

Textual Amendments

- F1** Sch. 28 paras. 27A-27K and cross-headings inserted (17.12.2014) (with effect in accordance with Sch. 2 para. 3(2) of the amending Act) by [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 2 para. 3(1)**
- F2** Sch. 28 para. 27FA and cross-heading inserted (26.3.2015) by [Finance Act 2015 \(c. 11\)](#), **Sch. 4 para. 3(3)** (with [Sch. 4 para. 3\(4\)](#))

Modifications etc. (not altering text)

- C1** Sch. 28 para. 27FA(2) applied by [2003 c. 1, s. 646D\(6\)](#) (as inserted (with effect in accordance with [Sch. 4 para. 17\(2\)](#) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), **Sch. 4 para. 17(1)**)
- C2** Sch. 28 para. 27FA(2) applied by [2003 c. 1, s. 646B\(6\)](#) (as inserted (with effect in accordance with [Sch. 4 para. 17\(2\)](#) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), **Sch. 4 para. 17(1)**)

27FA (1) For the purposes of this Part an annuity payable to a successor is a successors' annuity if—

- (a) the successor becomes entitled to it on or after 6 April 2015,
- (b) it is payable by an insurance company,
- (c) it is payable until the successor's death or until the earliest of the successor's marrying, entering into a civil partnership or dying,
- (d) it is purchased after the death of a dependant, nominee or successor of the member (“the beneficiary”),
- (e) it is purchased using undrawn funds, and
- (f) the beneficiary dies on or after 3 December 2014.

(2) For the purposes of sub-paragraph (1)(e), sums or assets held for the purposes of an arrangement after the beneficiary's death are undrawn funds if—

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- (a) immediately before the beneficiary's death, they were held for the purposes of the arrangement and, as the case may be, represented (alone or with other sums or assets) the beneficiary's—
 - (i) dependant's flexi-access drawdown fund,
 - (ii) dependant's drawdown pension fund,
 - (iii) nominee's flexi-access drawdown fund, or
 - (iv) successor's flexi-access drawdown fund,
 in respect of the arrangement, or
 - (b) they arise, or (directly or indirectly) derive, from undrawn funds under paragraph (a) or from sums or assets which so arise or derive.
- (3) The Commissioners for Her Majesty's Revenue and Customs may by regulations make provision in relation to cases in which a successors' annuity payable to a person (“the original successors' 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—
 - (i) towards the provision of another successors' annuity (a “new successors' annuity”) by the other insurance company, or
 - (ii) otherwise, or
 - (b) sums or assets are transferred to the relevant registered pension scheme.
- (4) The regulations may provide that—
- (a) in a case where a new successors' annuity becomes payable, the new successors' 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 successors' annuity, and
 - (b) in any other case, the relevant registered pension scheme is to be treated as making an unauthorised payment in respect of the member of an amount equal to the aggregate of the sums, and the market value of the assets, transferred.
- (5) For the purposes of sub-paragraphs (3) and (4) a registered pension scheme is the relevant registered pension scheme if the original successors' annuity was acquired using sums or assets held for the purposes of the pension scheme.]]

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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\(2\)](#)