

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 29

REGISTERED PENSION SCHEMES: AUTHORISED LUMP SUMS—SUPPLEMENTARY

Modifications etc. (not altering text)

- C1** Sch. 29 modified by [The Taxation of Pension Schemes \(Transitional Provisions\) Order 2006 \(S.I. 2006/572\)](#), [art. 23C](#) (as inserted (1.6.2009) by [S.I. 2009/1172](#), arts. 1, 3 (as amended (with effect in accordance with [s. 42\(9\)](#) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), s. 42(5); and as amended by [Taxation of Pensions Act 2014 \(c. 30\)](#), Sch. 1 para. 72(1) (with Sch. 1 para. 72(2)(b)))
- C1** Sch. 29 modified by [The Pensions Schemes \(Application of UK Provisions to Relevant Non-UK Schemes\) Regulations 2006 \(S.I. 2006/207\)](#), regs. 1(1), [15](#) (as substituted (with effect in accordance with reg. 1(3) of the amending S.I.) by [S.I. 2012/1795](#), regs. 1(1), 6; and amended by [Taxation of Pensions Act 2014 \(c. 30\)](#), Sch. 1 para. 96(3)-(14) (with Sch. 1 para. 96(16)(b))

PART 2

LUMP SUM DEATH BENEFIT RULE

Modifications etc. (not altering text)

- C1** Sch. 29 Pt. 2 applied (with modifications) (6.4.2006) by [The Pension Protection Fund \(Tax\) Regulations 2006 \(S.I. 2006/575\)](#), regs. 1, [14](#)
- C1** Sch. 29 Pt. 2 modified (6.4.2006) by [The Taxation of Pension Schemes \(Transitional Provisions\) Order 2006 \(S.I. 2006/572\)](#), arts. 1(1), [6](#), [8\(1\)\(3\)](#)

Defined benefits and money purchase arrangements

Trivial commutation lump sum death benefit

20 (1) A lump sum death benefit is a trivial commutation lump sum death benefit ^[F1]if condition A or B is met.]

^[F2](1A) Condition A is that the lump sum—

- (a) is paid to a dependant entitled under the pension scheme to pension death benefit in respect of the member, and
- (b) extinguishes the dependant's entitlement under the pension scheme to pension death benefit and lump sum death benefit in respect of the member.

(1B) Condition B is that—

- (a) the lump sum is paid after the member's death to an individual entitled to be paid a pension under the scheme—
 - (i) which the member was entitled to be paid immediately before the member's death, and

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- (ii) which is payable to the individual under pension rule 2 (see section 165),
- (b) if the pension is an annuity or scheme pension payable by an insurance company, the lump sum extinguishes all entitlements in respect of the member under the contract concerned, and
- (c) if the pension is a scheme pension payable by the scheme administrator, the lump sum extinguishes all entitlements to receive a scheme pension in respect of the member from the scheme administrator under pension rule 2.]
- (2) But if the amount of a lump sum falling within sub-paragraph (1) exceeds [^{F3}£30,000], the excess is not a trivial commutation lump sum death benefit.
- [^{F4}(3) The Treasury may by order substitute for the amount for the time being specified in sub-paragraph (2) such larger amount as is specified in the order.]

Textual Amendments

- F1** Words in Sch. 29 para. 20(1) substituted (17.12.2014) (with effect in accordance with Sch. 1 para. 74(6) of the amending Act) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 74\(2\)](#)
- F2** Sch. 29 para. 20(1A)(1B) inserted (17.12.2014) (with effect in accordance with Sch. 1 para. 74(6) of the amending Act) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 74\(3\)](#)
- F3** Sum in Sch. 29 para. 20(2) substituted (17.12.2014) (with effect in accordance with Sch. 1 para. 74(6) of the amending Act) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 74\(4\)](#)
- F4** Sch. 29 para. 20(3) inserted (with effect in accordance with Sch. 18 Pt. 2 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 18 para. 6\(3\)](#)

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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\(2\)](#)