

Changes to legislation: Finance Act 2004, Cross Heading: Serious ill-health lump sum is up to date with all changes known to be in force on or before 05 April 2024. There are changes that may be brought into force at a future date. Changes that have been made 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 1

LUMP SUM RULE

Modifications etc. (not altering text)

- C1** Sch. 29 Pt. 1 modified (6.4.2006) by [The Taxation of Pension Schemes \(Transitional Provisions\) Order 2006 \(S.I. 2006/572\)](#), [arts. 1\(1\), 25\(1\)\(2\)\(4\)](#)
- C1** Sch. 29 Pt. 1 applied (with modifications) (6.4.2006) by [The Pension Protection Fund \(Tax\) Regulations 2006 \(S.I. 2006/575\)](#), [regs. 1, 11](#)

Serious ill-health lump sum

- 4 (1) For the purposes of this Part a lump sum is a serious ill-health lump sum if—
- (a) before it is paid the scheme administrator has received evidence from a registered medical practitioner that the member is expected to live for less than one year,
 - (b) it is paid when all or part of the member's lifetime allowance is available, ^[F1]and]
- ^[F2](ca) either—
- (i) it is paid in respect of an uncrystallised arrangement, and it extinguishes the member's entitlement to benefits under the arrangement, or
 - (ii) it is paid in respect of uncrystallised rights of the member under an arrangement other than an uncrystallised arrangement, and it extinguishes the member's uncrystallised rights under the arrangement.]

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^{F3}(e)

- (2) An uncrystallised arrangement is an arrangement in respect of which there has been no previous benefit crystallisation event.
- [^{F4}(2A) In subsection (1)(ca)(ii) “uncrystallised rights”, in relation to the member, means rights of the member that are uncrystallised rights as defined by section 212(1) and (2).]
- [^{F5}(3) For the purposes of sub-paragraph (2)—
- (a) the fact that benefit crystallisation event 5 or benefit crystallisation event 5B has occurred in relation to the member is to be disregarded, and
 - (b) anything which, but for paragraph 2 of Schedule 32, would have been a benefit crystallisation event is to be treated as if it were such an event.]

Textual Amendments

- F1** Word in Sch. 29 para. 4(1)(b) inserted (with effect in accordance with Sch. 5 para. 4 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), **Sch. 5 para. 1(4)(a)**
- F2** Sch. 29 para. 4(1)(ca) substituted for Sch. 29 para. 4(1)(c)(d) (with effect in accordance with Sch. 5 para. 4 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), **Sch. 5 para. 1(4)(b)**
- F3** Sch. 29 para. 4(1)(e) and word omitted (with effect in accordance with Sch. 16 paras. 85, 102 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), **Sch. 16 para. 28(2)(b)**
- F4** Sch. 29 para. 4(2A) inserted (with effect in accordance with Sch. 5 para. 4 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), **Sch. 5 para. 1(5)**
- F5** Sch. 29 para. 4(3) inserted (with effect in accordance with Sch. 16 paras. 85, 102 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 16 para. 28(3)**

Modifications etc. (not altering text)

- C1** Sch. 29 para. 4(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**
- C2** Sch. 29 para. 4(2) modified (6.4.2006) by [The Taxation of Pension Schemes \(Transitional Provisions\) Order 2006 \(S.I. 2006/572\)](#), arts. 1(1), **33(1)-(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\(2\)](#)