

**Changes to legislation:** Finance Act 2004, Cross Heading: Uncrystallised funds pension lump sum is up to date with all changes known to be in force on or before 03 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](#)

#### *[<sup>F1</sup>Uncrystallised funds pension lump sum*

##### Textual Amendments

- F1** Sch. 29 para. 4A and cross-heading inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 57](#)

- 4A** (1) For the purposes of this Part a lump sum is an uncrystallised funds pension lump sum if—
- it is paid on or after 6 April 2015 in respect of a money purchase arrangement [<sup>F2</sup>that is not a collective money purchase arrangement],
  - it is paid when all or part of the member's lifetime allowance is available,
  - it is paid when the member has reached normal minimum pension age (or the ill-health condition is met),
  - it is not a pension commencement lump sum,

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- (e) it is not a lump sum that, for the purposes of Part 9 of ITEPA 2003 (pension income), is treated by regulations under section 164(1)(f) and (2) as a trivial commutation lump sum paid to the member,
  - (f) immediately before the member becomes entitled to it, the sums or assets that are to be used to provide it—
    - (i) represent rights of the member under the scheme that are uncrystallised rights as defined by section 212(1) and (2), but
    - (ii) do not to any extent represent rights attributable to a disqualifying pension credit, and
  - (g) none of sub-paragraphs (3) to (5) applies to the member.
- (2) But if a lump sum falling within sub-paragraph (1)—
- (a) is paid when the member has not reached the age of 75, and
  - (b) exceeds the member's available lifetime allowance,
- the excess is not an uncrystallised funds pension lump sum.
- (3) This sub-paragraph applies to the member if—
- (a) paragraph 12 of Schedule 36 applies to the member (enhanced protection from 6 April 2006) immediately before the sum is paid, and
  - (b) the lump sum condition (see paragraphs 24(2) and (3), 25 and 26 of Schedule 36) is met in relation to the member.
- (4) This sub-paragraph applies to the member if—
- (a) paragraph 7 of Schedule 36 makes provision for the operation of a lifetime allowance enhancement factor in relation to the member immediately before the sum is paid, and
  - (b) the lump sum condition (see paragraphs 24(2) and (3), 25 and 26 of Schedule 36) is met in relation to the member.
- (5) This sub-paragraph applies to the member if—
- (a) any of the provisions listed in sub-paragraph (6) makes provision for the operation of a lifetime allowance enhancement factor in relation to the member immediately before the sum is paid, and
  - (b) immediately before the sum is paid, the available portion of the member's lump sum allowance for the purposes of paragraph 2 of Schedule 29 is nil or less than 25% of the sum.
- (6) The listed provisions are—
- (a) paragraph 7 of Schedule 36 (primary protection);
  - (b) section 220 (pension credits from previously crystallised rights);
  - (c) section 221 (non-residence arrangements);
  - (d) section 224 (transfers from recognised overseas pensions schemes);
  - (e) paragraph 18 of Schedule 36 (pre-commencement pension credits).
- (7) In sub-paragraph (1)(f) “disqualifying pension credit” is to be read in accordance with paragraph 2(3) and (4).]

#### Textual Amendments

**F2** Words in [Sch. 29 para. 4A\(1\)\(a\)](#) inserted (1.8.2022) by [Finance Act 2021 \(c. 26\)](#), [Sch. 5 paras. 21\(5\), 25\(1\)](#); [S.I. 2022/874](#), [reg. 2](#)

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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\(2\)](#)