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SCHEDULES

SCHEDULE 29

REGISTERED PENSION SCHEMES: AUTHORISED LUMP SUMS—SUPPLEMENTARY

Modifications etc. (not altering text)

- 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))
- C2** 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)))

PART 2

LUMP SUM DEATH BENEFIT RULE

Modifications etc. (not altering text)

- C3** 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**
- C4** 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)

Money purchase arrangements

Uncrystallised funds lump sum death benefit

- 15 (1) For the purposes of this Part a lump sum death benefit is an uncrystallised funds lump sum death benefit if—

- ^{F1}(a)
- (b) it is paid in respect of a money purchase arrangement,
- ^{F2}(c)
- (d) it is paid in respect of relevant uncrystallised funds^{F3}, and
- (e) it is not a charity lump sum death benefit.]

^{F4}

^{F5}(1A)

- (2) “Relevant uncrystallised funds” means such of the sums and assets held for the purposes of the arrangement at the member’s death as—

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- (a) had not been applied for purchasing a scheme pension, a lifetime annuity, [^{F6}a nominees' annuity,] a dependants' scheme pension or a dependants' annuity, and
- (b) had not been designated under the arrangement as available for the payment of [^{F7}drawdown pension].

[^{F8}(2A) Where—

- (a) the arrangement is a cash balance arrangement,
- (b) under the arrangement, a dependant of the member is entitled to be paid after the member's death an amount by way of a lump sum,
- (c) the dependant's entitlement to a lump sum of that amount under the arrangement comes into being at a time no later than the member's death,
- (d) such of the sums and assets held for the purposes of the arrangement immediately after the member's death as are held for the purpose of meeting the liability to pay the lump sum are insufficient for that purpose (including where that is because none are held for that purpose), and
- (e) a person who was an employer in relation to the member pays a contribution to the scheme—
 - (i) for or towards making good that insufficiency, and
 - (ii) of no more than is needed for making good the insufficiency,

the sums and assets held for the purposes of the arrangement that represent the contribution are to be treated as “relevant uncrystallised funds” for the purposes of this paragraph.]

- (3) But if an amount falling within sub-paragraph (1) exceeds the permitted maximum, the excess is not an uncrystallised funds lump sum death benefit.
- (4) The permitted maximum is the aggregate of—
 - (a) the amount of the sums, and
 - (b) the market value of the assets,
 which constitute the relevant uncrystallised funds immediately before the payment is made.

Textual Amendments

- F1** Sch. 29 para. 15(1)(a) omitted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 35\(2\)\(a\)](#)
- F2** Sch. 29 para. 15(1)(c) omitted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 35\(2\)\(a\)](#)
- F3** Sch. 29 para. 15(1)(e) and word inserted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 35\(2\)\(b\)](#)
- F4** Words in Sch. 29 para. 15(1) omitted (17.12.2014) (with application in accordance with Sch. 2 para. 20 of the amending Act) by virtue of [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 2 para. 19\(1\)\(a\)](#)
- F5** Sch. 29 para. 15(1A) omitted (17.12.2014) (with application in accordance with Sch. 2 para. 20 of the amending Act) by virtue of [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 2 para. 19\(1\)\(b\)](#)
- F6** Words in Sch. 29 para. 15(2)(a) inserted (26.3.2015) by [Finance Act 2015 \(c. 11\)](#), [Sch. 4 para. 15](#)
- F7** Words in Sch. 29 para. 15(2)(b) substituted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 79\(4\)](#)
- F8** [Sch. 29 para. 15\(2A\)](#) inserted (with effect in accordance with Sch. 5 para. 10(2) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [Sch. 5 para. 10\(1\)](#)

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Annuity protection lump sum death benefit

- 16 (1) For the purposes of this Part a lump sum death benefit is an annuity protection lump sum death benefit if—
- ^{F9}(a)
 - (b) it is paid in respect of a money purchase arrangement, and
 - (c) it is paid in respect of a scheme pension or lifetime annuity to which the member was entitled at the date of the member's death.
- (2) But if the amount of a lump sum falling within sub-paragraph (1) exceeds the annuity protection limit, the excess is not an annuity protection lump sum death benefit.
- (3) The annuity protection limit is—

AC – AP – TPLS

where—

[^{F10}AC is—

- (a) in a case where the member became entitled to the pension or annuity before reaching the age of 75, the amount crystallised by reason of the member becoming entitled to the pension or annuity, disregarding paragraphs 3 and 4 of Schedule 32, and
- (b) in a case where the member became entitled to the pension or annuity after having reached that age, the amount that would have been so crystallised (disregarding those paragraphs) but for paragraph 2 of that Schedule,]

AP is the amount of the pension paid in respect of the period between the member becoming entitled to the pension or annuity and the member's death, and

TPLS is the total amount of annuity protection lump sum death benefit previously paid in respect of the pension or annuity under this paragraph.

Textual Amendments

F9 Sch. 29 para. 16(1)(a) omitted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 36\(2\)](#)

F10 Words in Sch. 29 para. 16(3) substituted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 36\(3\)](#)

Modifications etc. (not altering text)

C5 Sch. 29 para. 16(3) modified (6.4.2006) by [The Taxation of Pension Schemes \(Transitional Provisions\) Order 2006 \(S.I. 2006/572\)](#), arts. 1(1), [33\(1\)\(2\)\(5\)](#)

[^{F11}Drawdown pension fund lump sum death benefit]

Textual Amendments

F11 Sch. 29 para. 17 cross-heading substituted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 37\(6\)](#)

- 17 [^{F12}(1) For the purposes of this Part a lump sum death benefit is a drawdown pension fund lump sum death benefit if—

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- (a) it is paid in respect of income withdrawal to which the member was entitled [^{F13}to be paid from the member's drawdown pension fund in respect of] an arrangement at the date of the member's death, and
- (b) it is not a charity lump sum death benefit.]
- (2) A lump sum death benefit is also [^{F14}a drawdown pension fund lump sum death benefit] if—
- (a) it is paid on the death of a dependant of the member,
- ^{F15}(b)
- (c) it is paid in respect of dependants' income withdrawal to which the dependant was entitled at the date of the dependant's death [^{F16}to be paid from the dependant's drawdown pension fund] in respect of an arrangement relating to the member^{[F17}, and
- (d) it is not a charity lump sum death benefit.]
- (3) But if the amount of a lump sum falling within sub-paragraph (1) or (2) exceeds the permitted maximum, the excess is not [^{F18}a drawdown pension fund lump sum death benefit].
- (4) The permitted maximum is the aggregate of—
- (a) the amount of the sums, and
- (b) the market value of the assets,
- representing the member's or dependant's [^{F19}drawdown pension fund] in respect of the arrangement immediately before the payment is made.

Textual Amendments

- F12** Sch. 29 para. 17(1) substituted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 16 para. 37(2)**
- F13** Words in Sch. 29 para. 17(1)(a) substituted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 1 para. 23(a)**
- F14** Words in Sch. 29 para. 17(2) substituted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 16 para. 37(3)(a)**
- F15** Sch. 29 para. 17(2)(b) omitted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), **Sch. 16 para. 37(3)(b)**
- F16** Words in Sch. 29 para. 17(2)(c) inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), **Sch. 1 para. 23(b)**
- F17** Sch. 29 para. 17(2)(d) and word inserted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 16 para. 37(3)(c)**
- F18** Words in Sch. 29 para. 17(3) substituted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 16 para. 37(4)**
- F19** Words in Sch. 29 para. 17(4) substituted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 16 para. 37(5)**

Modifications etc. (not altering text)

- C6** Sch. 29 para. 17 modified (27.7.2010) by [Finance \(No. 2\) Act 2010 \(c. 31\)](#), [Sch. 3 para. 2\(1\)\(2\)\(e\)](#) (with [Sch. 2 para. 2\(1\)](#))

^{F20}*Flexi-access drawdown fund lump sum death benefit*

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Textual Amendments

F20 Sch. 29 para. 17A and cross-heading inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 24](#)

- 17A (1) For the purposes of this Part a lump sum death benefit is a flexi-access drawdown fund lump sum death benefit if—
- (a) it is paid in respect of income withdrawal to which the member was entitled to be paid from the member's flexi-access drawdown fund in respect of an arrangement at the date of the member's death, and
 - (b) it is not a charity lump sum death benefit.
- (2) A lump sum death benefit is also a flexi-access drawdown fund lump sum death benefit if—
- (a) it is paid on the death of a dependant of the member,
 - (b) it is paid in respect of dependants' income withdrawal to which the dependant was at the date of the dependant's death entitled to be paid from the dependant's flexi-access drawdown fund in respect of an arrangement relating to the member, and
 - (c) it is not a charity lump sum death benefit.
- (3) A lump sum death benefit is also a flexi-access drawdown fund lump sum death benefit if—
- (a) it is paid on the death of a nominee of the member,
 - (b) it is paid in respect of nominees' income withdrawal to which the nominee was at the date of the nominee's death entitled to be paid from the nominee's flexi-access drawdown fund in respect of an arrangement relating to the member, and
 - (c) it is not a charity lump sum death benefit.
- (4) A lump sum death benefit is also a flexi-access drawdown fund lump sum death benefit if—
- (a) it is paid on the death of a successor of the member,
 - (b) it is paid in respect of successors' income withdrawal to which the successor was at the date of the successor's death entitled to be paid from the successor's flexi-access drawdown fund in respect of an arrangement relating to the member, and
 - (c) it is not a charity lump sum death benefit.
- (5) But if the amount of a lump sum falling within sub-paragraph (1), (2), (3) or (4) exceeds the permitted maximum, the excess is not a flexi-access drawdown fund lump sum death benefit.
- (6) The permitted maximum is the aggregate of—
- (a) the amount of the sums, and
 - (b) the market value of the assets,
- representing the member's, dependant's, nominee's or successor's flexi-access drawdown fund in respect of the arrangement immediately before the payment is made.]

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Textual Amendments

F20 Sch. 29 para. 17A and cross-heading inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 24](#)

Charity lump sum death benefit

- 18 (1) A lump sum death benefit is a charity lump sum death benefit if—
- ^{F21}(a)
 - (b) there are no dependants of the member,
 - (c) it is paid [^{F22}in respect of the member's drawdown pension fund] in respect of an arrangement [^{F23}, or in respect of the member's flexi-access drawdown fund in respect of an arrangement,] at the date of the member's death, and
 - (d) it is paid to a charity nominated by the member ^{F24}...
- ^{F25}(1A) A lump sum death benefit is also a charity lump sum death benefit if—
- (a) the member had reached the age of 75 at the date of the member's death,
 - (b) there are no dependants of the member,
 - (c) it is paid in respect of relevant uncrystallised funds in respect of a money purchase arrangement at the date of the member's death, and
 - (d) it is paid to a charity nominated by the member.
- (1B) “Relevant uncrystallised funds” has the meaning given by paragraph 15(2).]
- (2) A lump sum death benefit is also a charity lump sum death benefit if—
- (a) it is paid on the death of a dependant of the member,
 - ^{F26}(b)
 - (c) there are no other dependants of the member,
 - (d) it is paid in respect of [^{F27}the dependant's drawdown pension fund][^{F28}, or the dependant's flexi-access drawdown fund,] at the date of the dependant's death in respect of an arrangement relating to the member, and
 - (e) it is paid to a charity nominated by the member [^{F29}or, if the member made no nomination, by the dependant ^{F30}... .]
- ^{F31}(2A) A lump sum death benefit is also a charity lump sum death benefit if—
- (a) it is paid on the death of an individual who is—
 - (i) a nominee of the member, or
 - (ii) a successor of the member,
 - (b) there are no dependants of the member,
 - (c) it is paid in respect of the individual's nominee's flexi-access drawdown fund or successor's flexi-access drawdown fund at the date of the individual's death in respect of an arrangement relating to the individual in the capacity of a nominee or successor of the member, and
 - (d) it is paid to a charity nominated by the member or, if the member made no nomination, by the individual.]
- (3) But if the amount of a lump sum falling within sub-paragraph (1)[^{F32}, (2) or (2A)] exceeds the permitted maximum, the amount of the excess is not a charity lump sum death benefit.
- (4) The permitted maximum is the aggregate of—

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- (a) the amount of the sums, and
 - (b) the market value of the assets,
- [^{F33}representing what is the member's or dependant's drawdown pension fund][^{F34}, or flexi-access drawdown fund,] in respect of the arrangement[^{F35}, or the nominee's or successor's flexi-access drawdown fund in respect of the arrangement,] immediately before the payment is made.

Textual Amendments

- F21** Sch. 29 para. 18(1)(a) omitted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 38\(2\)\(a\)](#)
- F22** Words in Sch. 29 para. 18(1)(c) substituted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 38\(2\)\(b\)](#)
- F23** Words in Sch. 29 para. 18(1)(c) inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 25\(a\)](#)
- F24** Words in Sch. 29 para. 18(1)(d) omitted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 38\(2\)\(c\)](#)
- F25** Sch. 29 para. 18(1A)(1B) inserted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 38\(3\)](#)
- F26** Sch. 29 para. 18(2)(b) omitted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 38\(4\)\(a\)](#)
- F27** Words in Sch. 29 para. 18(2)(d) substituted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 38\(4\)\(b\)](#)
- F28** Words in Sch. 29 para. 18(2)(d) inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 25\(b\)](#)
- F29** Words in Sch. 29 para. 18(2)(e) substituted (19.7.2007 (with effect in accordance with Sch. 19 para. 29(6) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 19 para. 16\(5\)](#)
- F30** Words in Sch. 29 para. 18(2)(e) omitted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 38\(4\)\(c\)](#)
- F31** Sch. 29 para. 18(2A) inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 2 para. 15\(2\)](#)
- F32** Words in Sch. 29 para. 18(3) substituted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 2 para. 15\(3\)](#)
- F33** Words in Sch. 29 para. 18(4) substituted (with effect in accordance with Sch. 16 paras. 85, 103 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 16 para. 38\(5\)](#)
- F34** Words in Sch. 29 para. 18(4) inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 1 para. 25\(c\)](#)
- F35** Words in Sch. 29 para. 18(4) inserted (17.12.2014) by [Taxation of Pensions Act 2014 \(c. 30\)](#), [Sch. 2 para. 15\(4\)](#)

Transfer lump sum death benefit

^{F36}19

Textual Amendments

- F36** Sch. 29 para. 19 repealed (19.7.2007) (with effect in accordance with Sch. 19 para. 29(3) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 19 para. 9](#), [Sch. 27 Pt. 3\(1\)](#)

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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\(2\)](#)