
Changes to legislation: There are currently no known outstanding effects for the Taxation of Pensions Act 2014, Cross Heading: Trivial commutation lump sum death benefits. (See end of Document for details)

SCHEDULES

SCHEDULE 1

PENSION FLEXIBILITY ETC

PART 5

MISCELLANEOUS AMENDMENTS

Trivial commutation lump sum death benefits

- 74 (1) Paragraph 20 of Schedule 29 to FA 2004 (trivial commutation lump sum death benefit) is amended as follows.
- (2) In sub-paragraph (1) (definition) for the words from “if” to the end substitute “ if condition A or B is met. ”
- (3) After sub-paragraph (1) insert—
- “(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
- (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.”
- (4) In sub-paragraph (2) (excess over £18,000 not a trivial commutation lump sum death benefit) for “£18,000” substitute “ £30,000 ”.
- (5) In consequence of sub-paragraph (4), in Schedule 18 to FA 2011 omit paragraph 6(2).

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- (6) The amendments made by this paragraph have effect in relation to lump sum death benefits paid on or after 6 April 2015.

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