



Capital Transfer Tax Act 1984

1984 CHAPTER 51

PART V

MISCELLANEOUS RELIEFS

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MISCELLANEOUS

Pension schemes, etc.

151 Treatment of pension rights, etc.

- (1) This section applies to any fund to which section 218 of the Taxes Act applies, to any scheme approved under section 226 or 226A of that Act, to any exempt approved scheme or statutory scheme as defined in Chapter II of Part II of the Finance Act 1970 and to any other sponsored superannuation scheme as defined in section 226(11) of the Taxes Act.
- (2) An interest in or under a fund or scheme to which this section applies which comes to an end on the death of the person entitled to it shall be left out of account in determining for the purposes of this Act the value of his estate immediately before his death, if the interest—
 - (a) is, or is a right to, a pension or annuity, and
 - (b) is not an interest resulting (whether by virtue of the instrument establishing the fund or scheme or otherwise) from the application of any benefit provided under the fund or scheme otherwise than by way of a pension or annuity.
- (3) Sections 49 to 53 above shall not apply in relation to an interest satisfying the conditions of paragraphs (a) and (b) of subsection (2) above.

Status: This is the original version (as it was originally enacted).

- (4) In relation to an interest in or under a fund or scheme to which this section applies, section 5(2) above shall apply as if the words " other than settled property " were omitted (in both places).
- (5) Where a benefit has become payable under a fund or scheme to which this section applies, and the benefit becomes comprised in a settlement made by a person other than the person entitled to the benefit, the settlement shall for the purposes of this Act be treated as made by the person so entitled.

152 Cash options

Where under a contract or trust scheme approved by the Board under section 226 or 226A of the Taxes Act or (before the commencement of that Act) under section 22 of the Finance Act 1956 (retirement annuities) an annuity becomes payable on a person's death to a widow, widower or dependant of that person, and under the terms of the contract or scheme a sum of money might at his option have become payable instead to his personal representatives, he shall not, by virtue of section 5(2) above, be treated as having been beneficially entitled to that sum.

153 Overseas pensions

- (1) In determining for the purposes of this Act the value of a person's estate immediately before his death there shall be left out of account any pension payable under the regulations or rules relating to any fund vested in Commissioners under section 273 of the Government of India Act 1935 or to any fund administered under a scheme made under section 2 of the Overseas Pensions Act 1973 which is certified by the Secretary of State for the purpose of this section to correspond to an Order in Council under subsection (1) of the said section 273.
- (2) For the purposes of this Act—
 - (a) a pension paid under the authority of a scheme made under section 2 of the Overseas Pensions Act 1973 which is constituted by the Pensions (India, Pakistan and Burma) Act 1955 or is certified by the Secretary of State for the purposes of this section to correspond to the said Act of 1955 shall be treated as if it had been paid by the Government of India or the Government of Pakistan (according as the arrangements in pursuance of which the pension was first paid under the said Act of 1955 were made with the one or the other Government);
 - (b) a pension paid out of any fund established in the United Kingdom by the Government of any country which, at the time when the fund was established, was, or formed part of, a colony, protectorate, protected state or United Kingdom trust territory shall, if the fund was established for the sole purpose of providing pensions, whether contributory or not, payable in respect of service under the Government be treated as if it had been paid by the Government by which the fund was established;
 - (c) a pension paid out of the Central African Pension Fund established by section 24 of the Federation of Rhodesia and Nyasaland (Dissolution) Order in Council 1963 shall be treated as if it had been paid by the Government of a territory outside the United Kingdom; and
 - (d) so much of any pension paid to or in respect of any person under—
 - (i) the scheme which by virtue of subsection (3) of section 2 of the Overseas Pensions Act 1973 is constituted under that section by

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- section 2 or subsection (2) of section 4 of the Overseas Service Act 1958, or
- (ii) such other scheme made under section 2 of the Overseas Pensions Act 1973 as is certified by the Secretary of State for the purposes of the Taxes Act to correspond to section 2 or subsection (2) of section 4 of the Overseas Service Act 1958,
- as is certified by the Secretary of State to be attributable to service under the Government of an overseas territory shall be treated as if it had been paid by the Government of that territory.
- (3) Subsection (1) above shall be construed as if contained in section 273 of the Government of India Act 1935 ; and for the purposes of subsection (2) above—
- (a) " pension " includes a gratuity and any sum payable on or in respect of death, and a return of contributions with or without interest thereon or any other addition thereto ;
- (b) " United Kingdom trust territory " means a territory administered by the Government of the United Kingdom under the trusteeship system of the United Nations;
- (c) " overseas territory" means any country or territory outside the United Kingdom ;
- (d) references to the Government of any such country or territory as is mentioned in paragraph (b) or (c) of that subsection include a Government constituted for two or more such countries or territories and any authority established for the purpose of providing or administering services which are common to, or relate to matters of common interest to, two or more such countries or territories.
- (4) If, by reason of Her Majesty's Government in the United Kingdom having assumed responsibility for a pension, allowance or gratuity within the meaning of section 1 of the Overseas Pensions Act 1973, payments in respect of it are made under that section, this section shall apply in relation to the pension, allowance or gratuity, exclusive of so much (if any) of it as is paid by virtue of the application to it of any provisions of the Pensions (Increase) Act 1971 or any enactment repealed by that Act, as if it continued to be paid by the Government or other body or fund which had responsibility for it before that responsibility was assumed by Her Majesty's Government in the United Kingdom.