

*Status: Point in time view as at 06/04/2003.*

*Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Part 6 is up to date with all changes known to be in force on or before 15 July 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)*

## SCHEDULES

### SCHEDULE 7 **U.K.**

#### TRANSITIONALS AND SAVINGS

#### PART 6 **U.K.**

##### EMPLOYMENT INCOME: INCOME WHICH IS NOT EARNINGS OR SHARE-RELATED

###### *Benefits from non-approved pension schemes*

- 41 (1) Chapter 2 of Part 6 (benefits from non-approved pension schemes) applies with the following modifications in relation to a benefit provided under a non-approved retirement benefits scheme which—
- (a) was entered into before 1 December 1993, and
  - (b) has not been varied on or after that day with a view to the provision of the benefit.
- (2) Section 393(2) does not apply.
- (3) Section 394(5) does not apply.
- (4) For sections 395, 396 and 397 substitute—

##### **“394A Pre-December 1993 schemes: chargeability of certain lump sums**

- (1) Section 394 does not apply to a lump sum to the extent that the lump sum is attributable to the payment of a sum—
- (a) which is deemed to be the income of a person by virtue of section 595(1) of ICTA and in respect of which that person has been assessed to tax, or
  - (b) which counted as the employment income of an employee by virtue of section 386(1) of this Act.
- (2) For the purposes of subsection (1) it must be assumed that, unless the contrary is shown, the provision of a lump sum is not attributable to the payment of such a sum as is mentioned in that subsection.

##### **394B Pre-December 1993 schemes: relationship between this Chapter and Part 2**

- (1) This section applies if, apart from this section, the provision of a benefit to which this Chapter applies would give rise to two amounts (“A” and “B”)—
- (a) A being an amount of general earnings from an employment (see section 7), and

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(b) B being an amount which is to count as employment income of an individual by virtue of section 394(1).

(2) In such a case—

- (a) A constitutes general earnings from the employment, and
- (b) the amount, if any, by which B exceeds A is to count as employment income of the individual by virtue of section 394(1).”

*Payments and benefits on termination of employment etc.*

42 Section 403 (charge on payment or other benefit) does not apply in relation to payments or other benefits received on or after 6th April 2003 that were brought into charge to tax before 6th April 1998.

43 (1) This paragraph applies for the purpose of determining how the £30,000 threshold referred to in sections 403 and 404 operates where—

- (a) payments or other benefits to which Chapter 3 of Part 6 apply are received, and
- (b) payments or benefits to which section 148 of ICTA applied were received in respect of the same person—
  - (i) in respect of the same employment, or
  - (ii) in respect of different employments with the same employer or associated employers.

(2) For the purposes of section 403(4) and (5), section 415 (valuation of benefits) does not apply to the payments and benefits referred to in sub-paragraph (1)(b), and their aggregate amount is to be taken to be their aggregate amount immediately before 6th April 2003.

(3) The references in sections 403(4) and (5) and 404(3)(b) to payments or benefits to which Chapter 3 of Part 6 applies include references to the payments and benefits referred to in sub-paragraph (1)(b).

(4) Section 404(2) (when employers are associated) applies for the purposes of this paragraph.

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