Finance Act 2004

2004 CHAPTER 12

PART 4

PENSION SCHEMES ETC

CHAPTER 5

REGISTERED PENSION SCHEMES: TAX CHARGES

[[F1]High income excess relief charge

[[F1]213D Relevant income

(1) To find the individual's relevant income for a tax year take the following steps—

Step 1 Identify the individual's total income for the tax year.

Step 2 Add the amount of any deductions made from any employment income of the individual for the tax year under Part 12 of ITEPA 2003 (payroll giving), under section 193(2) of this Act or under Chapter 2 of Part 5 of ITEPA 2003 (employee's expenses) in accordance with paragraph 51 of Schedule 36 to this Act.

Step 3 Deduct the amount of any relief under the provisions listed in section 24 of ITA 2007, other than Chapter 3 of Part 8 of that Act (gifts of shares, securities or real property to charity) and sections 193(4) and 194(1) of this Act, to which the individual is entitled for the tax year.

Step 4 Add any amount by which what would otherwise be general earnings or specific employment income of the individual for the tax year has been reduced by relevant salary sacrifice arrangements or relevant flexible remuneration arrangements.

The result is the individual's relevant income for the tax year.

(2) In subsection (1)—

"relevant salary sacrifice arrangements" means arrangements under which the individual gives up the right to receive general earnings or specific employment income in return for the making of relevant pension provision and which are made on or after 22 April 2009 (whether before or after the employment in question began);

"relevant flexible remuneration arrangements" means arrangements under which the individual and an employer of the individual agree that relevant pension provision is to be made rather than the individual receive some description of employment income and which are made on or after 22 April 2009 (whether before or after the employment in question began).

(3) In subsection (2) "relevant pension provision" means the payment of contributions (or additional contributions) to a pension scheme in respect of the individual or otherwise (by an employer of the individual or any other person) to secure an increase in the amount of benefits to which the individual or any person who is a dependant of, or is connected with, the individual is actually or prospectively entitled under a pension scheme.

(4) Section 993 of ITA 2007 (meaning of "connected" persons) applies for the purposes of subsection (3).**]**

Textual Amendments

F1 Ss. 213A-213P and cross-heading inserted (with effect for tax year 2011-12 and subsequent tax years in accordance with Sch. 2 para. 5 of the amending Act) by Finance Act 2010 (c. 13), **Sch. 2 para. 2**; which insertion fell without ever having effect as a result of the repeal (10.12.2010) of the affecting provision by The Finance Act 2010, Section 23 and Schedule 2 (High Income Excess Relief Charge) (Repeal) Order 2010 (S.I. 2010/2938), arts. 1, **2**

Status:
Point in time view as at 01/10/2010. This version of this provision has been superseded.

Changes to legislation:
There are currently no known outstanding effects for the Finance Act 2004, Section 213D.