



Income and Corporation Taxes Act 1970

1970 CHAPTER 10

PART VIII

SCHEDULE E

CHAPTER I

THE CHARGE

Supplementary charging provisions

187 Payments on retirement or removal from office or employment

- (1) Subject to the provisions of this section and section 188 below, tax shall be charged under Schedule E in respect of any payment to which this section applies which is made to the holder or past holder of any office or employment, or to his executors or administrators, whether made by the person under whom he holds or held the office or employment or by any other person.
- (2) This section applies to any payment (not otherwise chargeable to tax) which is made, whether in pursuance of any legal obligation or not, either directly or indirectly in consideration or in consequence of, or otherwise in connection with, the termination of the holding of the office or employment or any change in its functions or emoluments, including any payment in commutation of annual or periodical payments (whether chargeable to tax or not) which would otherwise have been made as aforesaid.
- (3) For the purposes of this section and the said section 188, any payment made to the spouse or any relative or dependant of a person who holds or has held an office or employment, or made on behalf of or to the order of that person, shall be treated as made to that person, and any valuable consideration other than money shall be treated as a payment of money equal to the value of that consideration at the date when it is given.

Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

- (4) Any payment which is chargeable to tax by virtue of this section shall be treated as income received on the following date, that is to say—
- (a) in the case of a payment in commutation of annual or other periodical payments, the date on which the commutation is effected, and
 - (b) in the case of any other payment, the date of the termination or change in respect of which the payment is made,
- and shall be treated as emoluments of the holder or past holder of the office or employment assessable to tax under Schedule E ; and any such payment shall be treated for all the purposes of the Income Tax Acts as earned income.
- (5) In the case of the death of any person who, if he had not died, would have been chargeable to tax in respect of any such payment, the tax which would have been so chargeable shall be assessed and charged upon his executors or administrators and shall be a debt due from and payable out of his estate.
- (6) This section does not apply to any payment made in pursuance of an obligation incurred before 6th April 1960.
- (7) Where any payment chargeable to tax under this section is made to any person in any year of assessment, it shall be the duty of the person by whom it is made to deliver particulars thereof in writing to the inspector not later than thirty days after the end of that year.