



# Inheritance Tax Act 1984

## 1984 CHAPTER 51

### PART III

#### SETTLED PROPERTY

#### CHAPTER IV

#### MISCELLANEOUS

#### **[<sup>F1</sup>89B Meaning of “disabled person's interest”**

(1) In this Act “disabled person's interest” means—

- (a) an interest in possession to which a person is under section 89(2) above treated as beneficially entitled,
- (b) an interest in possession to which a person is under section 89A(4) above treated as beneficially entitled,
- (c) an interest in possession in settled property (other than an interest within paragraph (a) or (b) above) to which a disabled person becomes beneficially entitled on or after 22nd March 2006 [<sup>F2</sup>if the trusts on which the settled property is held secure that, if any of the settled property is applied during the disabled person's life for the benefit of a beneficiary, it is applied for the benefit of the disabled person], or
- (d) an interest in possession in settled property (other than an interest within paragraph (a) or (b) above) to which a person (“A”) is beneficially entitled if—
  - (i) A is the settlor,
  - (ii) A was beneficially entitled to the property immediately before transferring it into settlement,
  - (iii) A satisfies Her Majesty's Commissioners for Revenue and Customs as mentioned in section 89A(1)(b) above,
  - (iv) the settled property was transferred into settlement on or after 22nd March 2006, and

---

*Changes to legislation: There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 89B. (See end of Document for details)*

---

(v) the trusts on which the settled property is held secure that, if any of the settled property is applied during A's life for the benefit of a beneficiary, it is applied for the benefit of A.

[<sup>F3</sup>(2) In subsection (1)(c) “disabled person” has the meaning given by Schedule 1A to the Finance Act 2005.]

[ Where the income arising from the settled property is held on trusts of the kind <sup>F4</sup>(2A) described in section 33 of the Trustee Act 1925 (protective trusts), subsection (1)(d) (v) has effect as if for “A's life” there were substituted “the period during which the income from the property is held on trust for A”.]

(3) Section 71D above does not apply to property in which there subsists a disabled person's interest within subsection (1)(c) above (but see also section 71D(5) above).]

#### **Textual Amendments**

- F1** Ss. 89A, 89B inserted (22.3.2006) by [Finance Act 2006 \(c. 25\)](#), s. 156, **Sch. 20 paras. 6(1)(3)**
- F2** Words in s. 89B(1)(c) inserted (with effect in accordance with Sch. 44 para. 10(3)-(5) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), **Sch. 44 para. 10(1)**
- F3** S. 89B(2) substituted (with effect in accordance with Sch. 44 para. 9 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), **Sch. 44 para. 8(2)**
- F4** S. 89B(2A) inserted (with effect in accordance with Sch. 44 para. 9 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), **Sch. 44 para. 8(3)**

**Changes to legislation:**

There are currently no known outstanding effects for the Inheritance Tax Act 1984, Section 89B.