



Inheritance Tax Act 1984

1984 CHAPTER 51

PART III

SETTLED PROPERTY

CHAPTER IV

MISCELLANEOUS

[^{F1}89C Disabled person's interest: powers of advancement etc

- (1) The trusts on which settled property is held are not to be treated for the purposes of section 89B(1)(c) or (d) (meaning of “disabled person's interest”: cases involving an interest in possession) as failing to secure that the settled property is applied for the benefit of a beneficiary by reason only of—
- (a) the trustees' having powers that enable them to apply otherwise than for the benefit of the beneficiary amounts (whether consisting of income or capital, or both) not exceeding the annual limit,
 - (b) the trustees' having the powers conferred by section 32 of the Trustee Act 1925 (powers of advancement),
 - (c) the trustees' having those powers but free from, or subject to a less restrictive limitation than, the limitation imposed by proviso (a) of subsection (1) of that section,
 - (d) the trustees' having the powers conferred by section 33 of the Trustee Act (Northern Ireland) 1958 (corresponding provision for Northern Ireland),
 - (e) the trustees' having those powers but free from, or subject to a less restrictive limitation than, the limitation imposed by subsection (1)(a) of that section, or
 - (f) the trustees' having powers to the like effect as the powers mentioned in any of paragraphs (b) to (e).
- (2) For the purposes of this section, the “annual limit” is whichever is the lower of the following amounts—

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

- (a) £3,000, and
 - (b) 3% of the amount that is the maximum value of the settled property during the period in question.
- (3) For those purposes the annual limit applies in relation to each period of 12 months that begins on 6 April.
- (4) The Treasury may by order made by statutory instrument—
- (a) specify circumstances in which subsection (1)(a) is, or is not, to apply in relation to a trust, and
 - (b) amend the definition of “the annual limit” in subsection (2).
- (5) An order under subsection (4) may—
- (a) make different provision for different cases, and
 - (b) contain transitional and saving provision.
- (6) A statutory instrument containing an order under subsection (4) may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, the House of Commons.]

Textual Amendments

- F1** S. 89C 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\(2\)](#)

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