



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XII

SPECIAL CLASSES OF COMPANIES AND BUSINESSES

CHAPTER II

FRIENDLY SOCIETIES, TRADE UNIONS AND EMPLOYERS' ASSOCIATIONS

Trade unions and employers' associations

467 Exemption for trade unions and employers' associations.

- (1) ^{M1}A trade union which is precluded by Act of Parliament or by its rules from assuring to any person a sum exceeding [^{F1}£4,000] by way of gross sum or [^{F2}£825] by way of annuity shall on making a claim be entitled [^{F3}to exemption from corporation tax]—
 - (a) ^{F4}. . . in respect of its income which is not trading income and which is applicable and applied for the purpose of provident benefits;
 - (b) ^{F5}. . . in respect of chargeable gains which are applicable and applied for the purpose of provident benefits.
- (2) In this section “provident benefits” includes any payment, expressly authorised by the rules of the trade union, which is made to a member during sickness or incapacity from personal injury or while out of work, or to an aged member by way of superannuation, or to a member who has met with an accident, or has lost his tools by fire or theft, and includes a payment in discharge or aid of funeral expenses on the death of a member or the [^{F6}spouse][^{F7}or civil partner] of a member or as provision for the children of a deceased member.
- (3) In determining for the purposes of this section whether a trade union is by Act of Parliament or its rules precluded from assuring to any person a sum exceeding [^{F8}£825] by way of annuity, there shall be disregarded any [^{F9}annuity contract which constitutes a registered pension scheme or is issued or held in connection with a registered

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pension scheme other than an occupational pension scheme (within the meaning of section 150(5) of the Finance Act 2004)].

[^{F10}(3A) The Treasury may by order substitute for any figure for the time being specified in this section such greater figure as may be specified in the order; and any amendment made in exercise of the power conferred by this subsection shall have effect in relation to such income or gains as may be specified in the order.]

(4) In this section “trade union” means—

- (a) ^{M2}any trade union the name of which is entered in the list of trade unions maintained by the [^{F11}Certification Officer] under [^{F12}section 2 of the Trade Union and Labour Relations (Consolidation) Act 1992];
- (b) any employers’ association the name of which is entered in the list of employers’ associations maintained by the [^{F11}Certification Officer] under [^{F13}section 123 of the Trade Union and Labour Relations (Consolidation) Act 1992] and which on 30th September 1971 was a registered trade union for the purposes of section 338 of the 1970 Act;
- [^{F14}(ba) any trade union the name of which is entered in the list of trade unions maintained by the Certification Officer for Northern Ireland under Article 5 of the Industrial Relations (Northern Ireland) Order 1992;
- (bb) any employers’ association the name of which is entered in the list of employers’ associations maintained by the Certification Officer for Northern Ireland under Article 5 of the Industrial Relations (Northern Ireland) Order 1992 and which immediately before the coming into operation of that Article was a trade union for the purposes of this section; and]
- (c) ^{M3}the Police Federation for England and Wales, the Police Federation for Scotland, the Police Federation for Northern Ireland and any other organisation of persons in police service which has similar functions.

Textual Amendments

- F1** Words in s. 467(1) substituted by Finance Act 1991 (c. 31, SIF 63:1), s. 74(2)(a),(6)
- F2** Words in s. 467(1) substituted by Finance Act 1991 (c. 31, SIF 63:1), s. 74(2)(b),(6)
- F3** Words in s. 467(1) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 84(2) (with Sch. 2)
- F4** Words in s. 467(1)(a) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 84(3), Sch. 3 Pt. 1 (with Sch. 2)
- F5** Words in s. 467(1)(b) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 84(4), Sch. 3 Pt. 1 (with Sch. 2)
- F6** 1988(F) s.35 and Sch.3 para.17 for chargeable period beginning on or after 6 April 1990. Previously “wife”.
- F7** Words in s. 467(2) inserted (5.12.2005) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), regs. 1(1), 74
- F8** Words in s. 467(3) substituted by Finance Act 1991 (c. 31, SIF 63:1), s. 74(3)(6)
- F9** Words in s. 467(3) substituted (6.4.2006) by Finance Act 2004 (c. 12), s. 284(1), Sch. 35 para. 23 (with Sch. 36)
- F10** S. 467(3A) inserted by Finance Act 1991 (c. 31, SIF 63:1), s. 74(4)
- F11** Words in s. 467(4)(a)(b) substituted (retrospectively) by Finance Act 1991 (c. 31, SIF 63:1), s. 74(5)(a),(7)
- F12** Words in s. 467(4)(a) substituted (16.10.1992) by Trade Union and Labour Relations (Consolidation) Act 1992 (c. 52), ss. 300(2), 302, Sch. 2 para. 37(a)

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- F13** Words in s. 467(4)(b) substituted (16.10.1992) by [Trade Union and Labour Relations \(Consolidation\) Act 1992 \(c. 52\)](#), ss. 300(2), 302, **Sch. 2 para. 37(b)**
- F14** [S. 467\(4\)\(ba\)\(bb\)](#) substituted (1.7.1992) for s. 467(4)(ba) by [S.I. 1992/808, art. 2](#); [S.R. 1992/212, art. 2\(2\)\(a\)](#)

Modifications etc. (not altering text)

- C1** See 1970 s.338 for amounts applicable in earlier years.
- C2** See [Employment Protection Act 1975 \(c.71\)](#) ss.7, 125(1) and Sch.16 Part III para.1—list now maintained by the Certification Officer.

Marginal Citations

- M1** Source—1970 s.338(1)—(3); 1982 s.36(1); 1974 s.28(1)(b); 1987 s.31
- M2** Source—1974 s.28(1)(a)
- M3** Source—1977 s.47

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