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# Income and Corporation Taxes Act 1988

## 1988 CHAPTER 1

### PART XIV

PENSION SCHEMES, SOCIAL SECURITY BENEFITS, LIFE ANNUITIES ETC.

### CHAPTER I

#### RETIREMENT BENEFIT SCHEMES

**Modifications etc. (not altering text)**

**C1** Pt. 14 Ch. 1 (ss. 590-612) modified (31.3.1995) by [Judicial Pensions and Retirement Act 1993 \(c. 8\)](#), ss. 18, 19(4), 31(2); S.I. 1995/631, [art. 2](#)

*Approval of schemes*

**590** **Conditions for approval of retirement benefit schemes.**

<sup>F1</sup> .....

**Textual Amendments**

**F1** Ss. 590-594 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[<sup>F2</sup>**590A** **Section 590: supplementary provisions.**

<sup>F3</sup> .....]

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**Textual Amendments**

- F2** Ss. 590A-590C inserted by [Finance Act 1989 \(c. 26\)](#), s. 75, Sch. 6 paras. 4, **18(4)**
- F3** Ss. 590-594 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

**[<sup>F4</sup>590B Section 590: further supplementary provisions.**

<sup>F5</sup> .....

**Textual Amendments**

- F4** Ss. 590A-590C inserted by [Finance Act 1989 \(c. 26\)](#), s. 75, Sch. 6 paras. 4, **18(4)**
- F5** Ss. 590-594 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

**[<sup>F6</sup>590C Earnings cap.**

<sup>F7</sup> .....

**Textual Amendments**

- F6** Ss. 590A-590C inserted by [Finance Act 1989 \(c. 26\)](#), s. 75, Sch. 6 paras. 4, **18(4)**
- F7** Ss. 590-594 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

**591 Discretionary approval.**

<sup>F8</sup> .....

**Textual Amendments**

- F8** Ss. 590-594 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

**[<sup>F9</sup>591A Effect on approved schemes of regulations under section 591.**

<sup>F10</sup> .....

**Textual Amendments**

- F9** S. 591A inserted by [Finance Act 1991 \(c. 31\)](#), **s.35**
- F10** Ss. 590-594 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

**[<sup>F11</sup>591B Cessation of approval: general provisions.**

<sup>F12</sup> .....

**Textual Amendments**

- F11** S. 591B inserted (retrospectively) by [Finance Act 1991 \(c. 31\)](#), **s. 36(1)(3)**

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**F12** Ss. 590-594 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**[<sup>F13</sup>591C Cessation of approval: tax on certain schemes.**

**F14** .....

**Textual Amendments**

**F13** Ss. 591C, 591D inserted (with effect in accordance with s. 61(3) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [s. 61\(1\)](#)

**F14** Ss. 590-594 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**591D Section 591C: supplementary.**

**F15** .....]

**Textual Amendments**

**F13** Ss. 591C, 591D inserted (with effect in accordance with s. 61(3) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [s. 61\(1\)](#)

**F15** Ss. 590-594 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

*Tax reliefs*

**592 Exempt approved schemes.**

**F16** .....

**Textual Amendments**

**F16** Ss. 590-594 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**593 Relief by way of deductions from contributions.**

**F17** .....

**Textual Amendments**

**F17** Ss. 590-594 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**594 Exempt statutory schemes.**

**F18** .....

**Textual Amendments**

**F18** Ss. 590-594 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

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### *Charge to tax in certain cases*

#### **595 Charge to tax in respect of certain sums paid by employer etc.**

F19 .....

##### **Textual Amendments**

**F19** Ss. 595, 596 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 74, **Sch. 8 Pt. 1** (with Sch. 7)

#### **596 Exceptions from section 595.**

F20 .....

##### **Textual Amendments**

**F20** Ss. 595, 596 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 74, **Sch. 8 Pt. 1** (with Sch. 7)

#### **[<sup>F21</sup>596A Charge to tax: benefits under non-approved schemes.**

F22 .....]

##### **Textual Amendments**

**F21** Ss. 596A, 596B inserted (with effect in accordance with Sch. 6 para. 18(7) of the amending Act) by Finance Act 1989 (c. 26), **Sch. 6 para. 9**

**F22** Ss. 596A-596C repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 75, **Sch. 8 Pt. 1** (with Sch. 7)

#### **[<sup>F23</sup>596B Section 596A: supplementary provisions.**

F24 .....]

##### **Textual Amendments**

**F23** Ss. 596A, 596B inserted (with effect in accordance with Sch. 6 para. 18(7) of the amending Act) by Finance Act 1989 (c. 26), **Sch. 6 para. 9**

**F24** Ss. 596A-596C repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 75, **Sch. 8 Pt. 1** (with Sch. 7)

#### **[<sup>F25</sup>596C Notional interest treated as paid if amount charged in respect of beneficial loan.**

F26 .....]

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**Textual Amendments**

- F25** S. 596C inserted (with effect in accordance with s. 93(4) of the amending Act) by [Finance Act 1998 \(c. 36\), s. 93\(3\)](#)
- F26** Ss. 596A-596C repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 75, Sch. 8 Pt. 1](#) (with Sch. 7)

**597 Charge to tax: pensions.**

**F27** .....

**Textual Amendments**

- F27** S. 597 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 76, Sch. 8 Pt. 1](#) (with Sch. 7)

**598 Charge to tax: repayment of employee’s contributions.**

**F28** .....

**Textual Amendments**

- F28** Ss. 598-599A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36) (with savings in [S.I. 2006/5072, arts. 1\(1\), 38](#))

**599 Charge to tax: commutation of entire pension in special circumstances.**

**F29** .....

**Textual Amendments**

- F29** Ss. 598-599A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36) (with savings in [S.I. 2006/5072, arts. 1\(1\), 38](#))

**[<sup>F30</sup>599A Charge to tax: payments out of surplus funds.**

**F31** .....]

**Textual Amendments**

- F30** S. 599A inserted (with effect in accordance with [Sch. 6 para. 18\(9\)](#) of the amending Act) by [Finance Act 1989 \(c. 26\), Sch. 6 para. 12](#)
- F31** Ss. 598-599A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36) (with savings in [S.I. 2006/5072, arts. 1\(1\), 38](#))

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## 600 Charge to tax: unauthorised payments to or for employees.

F32 .....

### Textual Amendments

**F32** S. 600 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 78, Sch. 8 Pt. 1](#) (with [Sch. 7](#))

## 601 Charge to tax: payments to employers.

F33 .....

### Textual Amendments

**F33** Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with [Sch. 36](#))

## 602 Regulations relating to pension fund surpluses.

F34 .....

### Textual Amendments

**F34** Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with [Sch. 36](#))

## 603 Reduction of surpluses.

F35 .....

### Textual Amendments

**F35** Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with [Sch. 36](#))

### *Supplementary provisions*

## 604 Application for approval of a scheme.

F36 .....

### Textual Amendments

**F36** Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with [Sch. 36](#))

## 605 Information.

F37 .....

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**Textual Amendments**

**F37** Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[<sup>F38</sup> **605A False statements etc.**

<sup>F39</sup> .....

**Textual Amendments**

**F38** S. 605A inserted (with application in accordance with s. 106(2) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 106\(1\)](#)

**F39** Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**606 Default of administrator etc.**

<sup>F40</sup> .....

**Textual Amendments**

**F40** Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[<sup>F41</sup> **606A Recourse to scheme members.**

<sup>F42</sup> .....

**Textual Amendments**

**F41** S. 606A inserted (with effect in accordance with Sch. 15 para. 6(2) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 15 para. 6\(1\)](#)

**F42** Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**607 Pilots' benefit fund.**

<sup>F43</sup> .....

**Textual Amendments**

**F43** Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**608 Superannuation funds approved before 6th April 1980.**

<sup>F44</sup> .....

**Textual Amendments**

**F44** Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

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## 609 Schemes approved before 23rd July 1987.

F45 .....

### Textual Amendments

F45 Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

## 610 Amendments of schemes.

F46 .....

### Textual Amendments

F46 Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

## 611 Definition of “retirement benefits scheme”.

F47 .....

### Textual Amendments

F47 Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

## [<sup>F48</sup>611A Definition of relevant statutory scheme.

F49 .....

### Textual Amendments

F48 S. 611A inserted (14.3.1989) by [Finance Act 1989 \(c. 26\)](#), [Sch. 6 paras. 15, 18\(1\)](#)

F49 Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

## [<sup>F50</sup>611A Definition of the administrator.

F51 .....]

### Textual Amendments

F50 S. 611AA inserted (with application in accordance with s. 103(3) of the amending Act) by [Finance Act 1994 \(c. 4\)](#), [s. 103\(1\)](#)

F51 Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

## 611A Definition of relevant statutory scheme.

F49 .....]



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**Textual Amendments**

- F48** S. 611A inserted (14.3.1989) by Finance Act 1989 (c. 26), Sch. 6 paras. 15, **18(1)**
- F49** Ss. 601-612 repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

**612 Other interpretative provisions, and regulations for purposes of this Chapter.**

**F52** .....

**Textual Amendments**

- F52** Ss. 601-612 repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

**CHAPTER II**

**OTHER PENSION FUNDS AND SOCIAL SECURITY BENEFITS AND CONTRIBUTIONS**

**613 Parliamentary pension funds.**

[<sup>F53</sup>(1) <sup>M1</sup>The salary of a Member of the House of Commons shall, for all the purposes of the Income Tax Acts, be treated as reduced by the [<sup>F54</sup>amounts deducted in pursuance of section 4 of the House of Commons Members' Fund Act 2016]; but a Member shall not by reason of any such deduction be entitled to relief under any other provision of the Income Tax Acts.]

(2) <sup>F55</sup> .....

(3) <sup>F56</sup> .....

(4) <sup>M2</sup>The <sup>F57</sup> . . . trustees of—

(a) the House of Commons Members' Fund [<sup>F58</sup>specified in section 1 of the 2016 Act];

(b) <sup>F59</sup> .....

[<sup>F60</sup>(bb) <sup>F59</sup> .....

(c) <sup>F59</sup> .....

(d) <sup>F59</sup> .....

shall be entitled to exemption from income tax in respect of all income derived from [<sup>F61</sup>that Fund] or any investment of [<sup>F61</sup>that Fund].

A claim under this subsection shall be made to the Board.

**Textual Amendments**

- F53** S. 613(1) (which was repealed by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 83, **Sch. 8 Pt. 1**) restored (retrospectively) by Finance Act 2005 (c. 7), **Sch. 10 para. 63**
- F54** Words in s. 613(1) substituted (12.8.2016) by House of Commons Members' Fund Act 2016 (c. 18), **ss. 8(2)(a), 10**

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- F55** S. 613(2) omitted (12.8.2016) by virtue of [House of Commons Members' Fund Act 2016 \(c. 18\)](#), **ss. 8(2)(b)**, 10
- F56** S. 613(3) repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 83, **Sch. 8 Pt. 1** (with Sch. 7)
- F57** Word in s. 613(4) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), s. 284(1), Sch. 35 para. 26(a), **Sch. 42 Pt. 3**, Note (with Sch. 36)
- F58** Words in s. 613(4)(a) substituted (12.8.2016) by [House of Commons Members' Fund Act 2016 \(c. 18\)](#), **ss. 8(2)(c)**, 10
- F59** S. 613(4)(b)-(d) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), s. 284(1), Sch. 35 para. 26(a), **Sch. 42 Pt. 3**, Note (with Sch. 36)
- F60** S. 613(4)(bb) inserted (with effect in accordance with s. 52(2) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), **Sch. 5 para. 4**
- F61** Words in s. 613(4) substituted (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), s. 284(1), **Sch. 35 para. 26(b)** (with Sch. 36)

#### Marginal Citations

- M1** Source-1970 s.211(1), (4)
- M2** Source-1970 s.211(2) 1981 s.50(1); PPA 1987 Sch.3 2(1)

## 614 Exemptions and reliefs in respect of income from investments etc. of certain pension schemes.

- (1) <sup>F62</sup> .....
- (2) <sup>M3</sup> Any interest or dividends received by the person in whom is vested any of the Family Pension Funds mentioned in section 273 of the <sup>M4</sup>Government of India Act 1935, and having effect as a scheme made under section 2 of the <sup>M5</sup>Overseas Pensions Act 1973, on sums forming part of that fund shall be exempt from income tax.
- [<sup>F63</sup>(2A) The reference in subsection (2) above to interest on sums forming part of a fund include references to any amount which is treated as income by virtue of [<sup>F64</sup>Chapter 8 of Part 4 of ITTOIA 2005 (profits from deeply] discounted securities) and derives from any investment forming part of that fund.]
- (3) <sup>M6</sup> Income derived from investments or deposits of any fund referred to in [<sup>F65</sup>section 648, 649, 650 or 651 of ITEPA 2003] shall not be charged to income tax, and any income tax deducted from any such income shall be repaid by the Board to the persons entitled to receive the income.
- (4) <sup>M7</sup> In respect of income derived from investments or deposits of the Overseas Service Pensions Fund established pursuant to section 7(1) of the <sup>M8</sup>Overseas Aid Act 1966, the Board shall give by way of repayment such relief from income tax as is necessary to secure that the income is exempt to the like extent (if any) as if it were income of a person [<sup>F66</sup>not domiciled and not resident] in the United Kingdom.
- (5) <sup>M9</sup> In respect of dividends and other income derived from investments, deposits or other property of a superannuation fund to which section 615(3) applies the Board shall give by way of repayment such relief from income tax as is necessary to secure that the income is exempt to the like extent (if any) as if it were income of a person [<sup>F67</sup>not domiciled and not resident] in the United Kingdom.
- (6) <sup>M10</sup> A claim under this section shall be made to the Board.

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### Textual Amendments

- F62** S. 614(1) repealed (3.5.1994) by [Finance Act 1994 \(c. 9\)](#), **Sch. 26 Pt. 5(22)**
- F63** S. 614(2A) inserted (with effect in accordance with s. 105(1) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), **Sch. 14 para. 34** (with Sch. 15)
- F64** Words in s. 614(2A) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), **Sch. 1 para. 261** (with Sch. 2)
- F65** Words in s. 614(3) substituted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), **Sch. 6 para. 84** (with Sch. 7)
- F66** Words in s. 614(4) substituted (with effect in accordance with Sch. 46 para. 72 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), **Sch. 46 para. 28(a)**
- F67** Words in s. 614(5) substituted (with effect in accordance with Sch. 46 para. 72 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), **Sch. 46 para. 28(b)**

### Marginal Citations

- M3** Source-1970 s.213(1)
- M4** 1935 c. 2.
- M5** 1973 c. 21.
- M6** Source-1970 s.214(2), 216(2); 1973 s.53(1)
- M7** Source-1970 s.217(2), (4)
- M8** 1966 c. 21.
- M9** Source-1970 s.218(1)
- M10** Source-1970 s.212(3), 213(1), 214(3), 216(2), 217(2), 218(1); 1987 Sch.15 2(13)

## 615 Exemption from tax in respect of certain pensions.

- (1) <sup>F68</sup> .....
- (2) <sup>F68</sup> .....
- (3) <sup>M11</sup> Where an annuity is paid from a superannuation fund to which this subsection applies to a person who is not resident in the United Kingdom, income tax shall not be deducted from any payment of the annuity or accounted for under [<sup>F69</sup>Chapter 6 of Part 15 of ITA 2007 (deduction from annual payments and patent royalties)] by the trustees or other persons having the control of the fund.
- (4) <sup>F68</sup> .....
- (5) <sup>F68</sup> .....
- (6) <sup>M12</sup> Subsection (3) above applies to any superannuation fund which—
  - (a) is bona fide established under irrevocable trusts in connection with some trade or undertaking carried on wholly or partly outside the United Kingdom;
  - (b) has for its sole purpose [<sup>F70</sup>(subject to any enactment or Northern Ireland legislation requiring or allowing provision for the value of any rights to be transferred between schemes or between members of the same scheme)] the provision of superannuation benefits in respect of persons' employment in the trade or undertaking wholly outside the United Kingdom; <sup>F71</sup> . . .
  - (c) is recognised by the employer and employed persons in the trade or undertaking; [<sup>F72</sup>and]
  - [<sup>F73</sup>(d) meets the benefit accrual condition (see subsection (6A));]

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and for the purposes of this subsection duties performed in the United Kingdom the performance of which is merely incidental to the performance of other duties outside the United Kingdom shall be treated as performed outside the United Kingdom .

[<sup>F74</sup>(6A) The benefit accrual condition is—

- (a) that, in the case of any money purchase arrangement relating to a member of the fund that is not a cash balance arrangement, no contributions are made under the arrangement on or after 6 April 2017;
- (b) that, in the case of any cash balance arrangement relating to a member of the fund, there is no increase on or after 6 April 2017 in the value of any person's rights under the arrangement;
- (c) that, in the case of any defined benefits arrangement relating to a member of the fund, there is no increase on or after 6 April 2017 in the value of any person's rights under the arrangement; and
- (d) that, in the case of any arrangement relating to a member of the fund that is neither a money purchase arrangement nor a defined benefits arrangement—
  - (i) no contributions are made under the arrangement on or after 6 April 2017, and
  - (ii) there is no increase on or after 6 April 2017 in the value of any person's rights under the arrangement.

(6B) For the purposes of subsection (6A)(b)—

- (a) whether there is an increase in the value of a person's rights is to be determined by reference to whether there is an increase in the amount that would, on the valuation assumptions, be available for the provision of benefits under the arrangement to or in respect of the person (and, if there is, the amount of the increase), but
- (b) in the case of rights that accrued to a person before 6 April 2017, ignore increases in the value of the rights if in no tax year do they exceed the relevant percentage.

(6C) For the purposes of subsection (6A)(c)—

- (a) whether there is an increase in the value of a person's rights is to be determined by reference to whether there is an increase in the benefits amount as defined by paragraph 14(7) of Schedule 18 to the Finance Act 2011, but
- (b) in the case of rights that accrued to a person before 6 April 2017, ignore increases in the value of the rights if in no tax year do they exceed the relevant percentage.

(6D) For the purposes of subsection (6A)(d)(ii), regulations made by the Commissioners for Her Majesty's Revenue and Customs may make provision—

- (a) for determining whether there is an increase in the value of a person's rights,
- (b) for determining the amount of any increase, and
- (c) for ignoring the whole or part of any increase;

and regulations under this subsection may make provision having effect in relation to times before the regulations are made.

(6E) In this section, “relevant percentage”, in relation to a tax year, means—

- (a) where, on 20 March 2017, the rules of the fund include provision for the value of the rights of a person to increase during the tax year at an annual rate specified in those rules, that rate, or

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- (b) in any other case, the percentage by which the consumer prices index for September in the previous tax year is higher than it was for the September in the tax year before that (or, if greater, 0%).
- (6F) The Commissioners for Her Majesty's Revenue and Customs may by regulations make provision—
- (a) so as to change, or modify the effect of, the benefit accrual condition;
  - (b) as to the matters to be taken into account in determining whether the benefit accrual condition is met;
  - (c) for a superannuation fund to be treated to any extent as meeting or not meeting the benefit accrual condition.
- (6G) Provision under subsection (6D) or (6F) may be made by amending this section.]
- (7) <sup>F75M13</sup>For the purposes of this section—
- “arrangement”, in relation to a member of a superannuation fund, means an arrangement relating to the member under the fund;
    - a money purchase arrangement relating to a member of a superannuation fund is a “cash balance arrangement” at any time if, at that time, all the benefits that may be provided to or in respect of the member under the arrangement are cash balance benefits;
    - an arrangement relating to a member of a superannuation fund is a “defined benefits arrangement” at any time if, at that time, all the benefits that may be provided to or in respect of the member under the arrangement are defined benefits;
    - an arrangement relating to a member of a superannuation fund is a “money purchase arrangement” at any time if, at that time, all the benefits that may be provided to or in respect of the member under the arrangement are money purchase benefits;
  - “cash balance benefits”, “defined benefits” and “money purchase benefits” have the meaning given by section 152 of the Finance Act 2004, but for this purpose reading references in that section to a pension scheme as references to a superannuation fund;
  - “member”, in relation to a superannuation fund, has the meaning given by section 151 of the Finance Act 2004, but for this purpose reading references in that section to a pension scheme as references to a superannuation fund;]
  - “pension” includes a gratuity or any sum payable on or in respect of death or, in the case of a pension falling within subsection (2)(g) above, ill-health, and a return of contributions with or without interest thereon or any other addition thereto;
  - “overseas territory” means any territory or country outside the United Kingdom;
  - “the Pensions (Increase) Acts” means the <sup>M14</sup>Pensions (Increase) Act 1971 and any Act passed after that Act for purposes corresponding to the purposes of that Act;
  - “United Kingdom trust territory” means a territory administered by the government of the United Kingdom under the trusteeship system of the United Nations;
- <sup>F76</sup>“the valuation assumptions” has the meaning given by section 277 of the Finance Act 2004.]

(8) <sup>F68</sup> .....

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- [<sup>F77</sup>(9) For the purposes of this section, a person shall be taken to be employed in the public service of an overseas territory at any time when—
- (a) he is employed in any capacity under the government of that territory, or under any municipal or other local authority in it,
  - (b) he is employed, in circumstances not falling within paragraph (a) above, by a body corporate established for any public purpose in that territory by an enactment of a legislature empowered to make laws for that territory, or
  - (c) he is the holder of a public office in that territory in circumstances not falling within either paragraph (a) or (b).
- (10) For the purposes of subsection (9), references to the government of an overseas territory include references to a government constituted for two or more overseas territories, and to any authority established for the purpose of providing or administering services which are common to, or relate to matters of common interest to, two or more such territories.]
- [<sup>F78</sup>(11) Where the conditions in subsection (6)(a) to (c) are met in the case of a superannuation fund (“the actual fund”)—
- (a) any disqualifying contributions made under an arrangement relating to a member of the actual fund are treated for the purposes of the Income Tax Acts as instead made under an arrangement relating to the member under a separate superannuation fund (“the shadow fund” for the actual fund),
  - (b) any disqualifying increase in the value of a person's rights under an arrangement relating to a member of the actual fund is treated for the purposes of the Income Tax Acts as instead being an increase under an arrangement relating to the member under the shadow fund for the actual fund, and
  - (c) any reference in this or any other Act (including the reference in subsection (3) and any reference enacted after the coming into force of this subsection) to a fund, or superannuation fund, to which subsection (3) applies does not include so much of the actual fund as—
    - (i) represents any contribution treated as made under, or any increase in the value of any rights treated as an increase under, the shadow fund of the actual fund or the shadow fund of any other superannuation fund, or
    - (ii) arises, or (directly or indirectly) derives, from anything within sub-paragraph (i) or this sub-paragraph.
- (12) For the purposes of subsection (11) a contribution, or an increase in the value of any rights, is “disqualifying” if it would (ignoring that subsection) cause the benefit accrual condition not to be met in the case of the actual fund.
- (13) For the purposes of the provisions of this section relating to the benefit accrual condition, where there is a recognised transfer—
- (a) any transfer of sums or assets to the recipient fund by the recognised transfer is to be categorised as not being “a contribution” to the recipient fund, and
  - (b) any increase in the value of rights under the recipient fund that occurs at the time of the recognised transfer is to be treated as not being an increase in that value if the increase is solely a result of the transfer effected by the recognised transfer.
- (14) For the purposes of subsection (13), where there is a transfer such that sums or assets held for the purposes of, or representing accrued rights under, an arrangement relating

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to a member of a superannuation fund (“the transferor fund”) are transferred so as to become held for the purposes of, or to represent rights under, an arrangement relating to that person as a member of another superannuation fund, the transfer is a “recognised transfer” if—

- (a) the conditions in subsection (6)(a) to (c) are met in the case of each of the funds, and
- (b) none of the sums and assets transferred—
  - (i) represents any contribution treated as made under, or any increase in the value of any rights treated as an increase under, the shadow fund of the transferor fund or the shadow fund of any other superannuation fund, or
  - (ii) arises, or (directly or indirectly) derives, from anything within subparagraph (i) or this sub-paragraph.]

#### Textual Amendments

- F68** S. 615(1)(2)(4)(5)(8) repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 85, Sch. 8 Pt. 1](#) (with [Sch. 7](#))
- F69** Words in s. 615(3) substituted (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. 140](#) (with [Sch. 2](#))
- F70** Words in s. 615(6)(b) inserted (27.7.1999) by [Finance Act 1999 \(c. 16\), Sch. 10 para. 11](#)
- F71** Word in s. 615(6)(b) omitted (6.4.2017) by virtue of [Finance Act 2017 \(c. 10\), Sch. 3 para. 3\(2\)\(a\)\(6\)](#)
- F72** Word in s. 615(6)(c) inserted (6.4.2017) by [Finance Act 2017 \(c. 10\), Sch. 3 para. 3\(2\)\(b\)\(6\)](#)
- F73** S. 615(6)(d) inserted (6.4.2017) by [Finance Act 2017 \(c. 10\), Sch. 3 para. 3\(2\)\(c\)\(6\)](#)
- F74** S. 615(6A)-(6G) inserted (6.4.2017) by [Finance Act 2017 \(c. 10\), Sch. 3 para. 3\(3\)\(6\)](#)
- F75** Words in s. 615(7) substituted (6.4.2017) by [Finance Act 2017 \(c. 10\), Sch. 3 para. 3\(4\)\(a\)\(6\)](#)
- F76** Words in s. 615(7) inserted (6.4.2017) by [Finance Act 2017 \(c. 10\), Sch. 3 para. 3\(4\)\(b\)\(6\)](#)
- F77** S. 615(9)(10) inserted (17.6.2002) by [International Development Act 2002 \(c. 1\), s. 20\(2\), Sch. 3 para. 9\(3\)](#) (with [Sch. 5](#)); [S.I. 2002/1408, art. 2](#)
- F78** S. 615(11)-(14) inserted (6.4.2017) by [Finance Act 2017 \(c. 10\), Sch. 3 para. 3\(5\)\(6\)](#)

#### Marginal Citations

- M11** Source-1970 s.218(3)
- M12** Source-1970 s.218(4)
- M13** Source-1970 s.214(5), 215(3), 216(4), 217(4)
- M14** 1971 c. 56.

### 616 Other overseas pensions.

**F79** .....

#### Textual Amendments

- F79** S. 616 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 86, Sch. 8 Pt. 1](#) (with [Sch. 7](#))

### 617 Social security benefits and contributions.

**F80** .....

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**Textual Amendments**

**F80** S. 617 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 203, **Sch. 3 Pt. 1** (with Sch. 2 Pts 1, 2)

**[<sup>F81</sup> 617A Tax credits under Part 1 of Tax Credits Act 2002**

**F82** . . . . . ]

**Textual Amendments**

**F81** S. 617A inserted (prosp.) by Tax Credits Act 2002 (c. 21), s. 61, **Sch. 3 para. 14** (the insertion being brought into force at 6.4.2003 by S.I. 2003/962, art. 2(3)(d)(iii))

**F82** S. 617A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 88, **Sch. 8 Pt. 1** (with Sch. 7)

**CHAPTER III**

**RETIREMENT ANNUITIES**

**618 Termination of relief under this Chapter, and transitional provisions.**

**F83** . . . . .

**Textual Amendments**

**F83** Ss. 618-626 repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

**619 Exemption from tax in respect of qualifying premiums.**

**F84** . . . . .

**Textual Amendments**

**F84** Ss. 618-626 repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

**620 Qualifying premiums.**

**F85** . . . . .

**Textual Amendments**

**F85** Ss. 618-626 repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)



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## 621 Other approved contracts.

F86 .....

### Textual Amendments

**F86** Ss. 618-626 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

## 622 Substituted retirement annuity contracts.

F87 .....

### Textual Amendments

**F87** Ss. 618-626 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

## 623 Relevant earnings.

F88 .....

### Textual Amendments

**F88** Ss. 618-626 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

## 624 Sponsored superannuation schemes and controlling directors.

F89 .....

### Textual Amendments

**F89** Ss. 618-626 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

## 625 Carry-forward of unused relief under section 619.

F90 .....

### Textual Amendments

**F90** Ss. 618-626 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

## 626 Modification of section 619 in relation to persons over 50.

F91 .....

### Textual Amendments

**F91** Ss. 618-626 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

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**F92 627 Lloyd’s underwriters.**

.....

**Textual Amendments**

**F92** S. 627 repealed (with effect as mentioned in s. 228(4) of the repealing Act) by [Finance Act 1994 \(c. 9\)](#), s. 228(2)(a), [Sch. 26 Pt. 5\(25\)](#), Note 1

**628 Partnership retirement annuities.**

F93  
.....

**Textual Amendments**

**F93** S. 628 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**629 Annuity premiums of Ministers and other officers.**

<sup>M15</sup>(1) For the purposes of this Chapter so much of any salary which—

- (a) is payable to the holder of a qualifying office who is also a Member of the House of Commons, and
- (b) is payable for a period in respect of which the holder is not a participant in relation to that office in arrangements contained in the Parliamentary pension scheme but is a participant in relation to his membership of the House of Commons in any such arrangements, or for any part of such a period,

as is equal to the difference between a Member’s pensionable salary and the salary which (in accordance with any such resolution as is mentioned in subsection (3)(a) below) is payable to him as a Member holding that qualifying office shall be treated as remuneration from the office of Member and not from the qualifying office.

(2) In this section—

“Member’s pensionable salary” means a Member’s ordinary salary under any resolution of the House of Commons which, being framed otherwise than as an expression of opinion, is for the time being in force relating to the remuneration of Members or, if the resolution provides for a Member’s ordinary salary thereunder to be treated for pension purposes as being at a higher rate, a notional yearly salary at that higher rate;

“qualifying office” means an office mentioned in section 2(2)(b), (c) or (d) of the Parliamentary and other <sup>M16</sup>Pensions Act 1987;

“the Parliamentary pension scheme” has the same meaning as in that Act; and without prejudice to the power conferred by virtue of paragraph 13 of Schedule 1 to that Act, regulations under section 2 of that Act may make provision specifying the circumstances in which a person is to be regarded for the purposes of this section as being or not being a participant in relation to his Membership of the House of Commons, or in relation to any office, in arrangements contained in the Parliamentary pension scheme.

(3) In subsection (2) above “a Member’s ordinary salary”, in relation to any resolution of the House of Commons, means—

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- (a) if the resolution provides for salary to be paid to Members at different rates according to whether or not they are holders of particular offices, or are in receipt of salaries or pensions as the holders or former holders of particular offices, a Member's yearly salary at the higher or highest rate; and
- (b) in any other case, a Member's yearly salary at the rate specified in or determined under the resolution.

**Modifications etc. (not altering text)**

**C2** S. 629 applied (with modifications) (with effect in accordance with s. 52(2) of the affecting Act) by Finance Act 1999 (c. 16), **Sch. 5 para. 6**

**Marginal Citations**

**M15** Source-1970 s.229  
**M16** 1987 c. 45.

## CHAPTER IV

### PERSONAL PENSION SCHEMES

**Modifications etc. (not altering text)**

**C3** Pt. 14 Ch. 5 excluded (1.5.1995) by Finance Act 1995 (c. 4), **s. 60(5)**

#### *Preliminary*

#### **630 Interpretation.**

F94

**Textual Amendments**

**F94** Ss. 630-640A repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

#### **631 Approval of schemes.**

F95

**Textual Amendments**

**F95** Ss. 630-640A repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

#### **[<sup>F96</sup>631A Conversion of certain approved retirement benefits schemes.**

F97

.....]

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**Textual Amendments**

- F96** S. 631A inserted (28.7.2000) by [Finance Act 2000 \(c. 17\)](#), [Sch. 13 para. 7](#) (with [Sch. 13 Pt. 2](#))  
**F97** Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with [Sch. 36](#))

*Restrictions on approval*

**632 Establishment of schemes.**

**F98** .....

**Textual Amendments**

- F98** Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with [Sch. 36](#))

**[<sup>F99</sup> 632A Eligibility to make contributions.**

**F100** .....

**Textual Amendments**

- F99** Ss. 632A, 632B inserted (6.4.2001) by [Finance Act 2000 \(c. 17\)](#), [Sch. 13 para. 8](#) (with [Sch. 13 Pt. 2](#))  
**F100** Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with [Sch. 36](#))

**632B Eligibility to make contributions: concurrent membership.**

**F101** .....]

**Textual Amendments**

- F99** Ss. 632A, 632B inserted (6.4.2001) by [Finance Act 2000 \(c. 17\)](#), [Sch. 13 para. 8](#) (with [Sch. 13 Pt. 2](#))  
**F101** Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with [Sch. 36](#))

**633 Scope of benefits.**

**F102** .....

**Textual Amendments**

- F102** Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with [Sch. 36](#))

**634 Annuity to member.**

**F103** .....

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**Textual Amendments**

**F103** Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[<sup>F104</sup>**634** **Income withdrawals by member.**

<sup>F105</sup> .....

**Textual Amendments**

**F104** S. 634A inserted (1.5.1995) by [Finance Act 1995 \(c. 4\)](#), [Sch. 11 para. 4](#)

**F105** Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**635 Lump sum to member.**

<sup>F106</sup> .....

**Textual Amendments**

**F106** Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**636 Annuity after death of member.**

<sup>F107</sup> .....

**Textual Amendments**

**F107** Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[<sup>F108</sup>**636** **Income withdrawals after death of member.**

<sup>F109</sup> .....

**Textual Amendments**

**F108** S. 636A inserted (1.5.1995) by [Finance Act 1995 \(c. 4\)](#), [Sch. 11 para. 7](#)

**F109** Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**637 Death benefit.**

<sup>F110</sup> .....

**Textual Amendments**

**F110** Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

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**[<sup>F111</sup>637A Return of contributions on or after death of member.**

<sup>F112</sup> .....

**Textual Amendments**  
**F111** Ss. 637, 637A substituted for s. 637 (1.5.1995) by Finance Act 1995 (c. 4), **Sch. 11 para. 8**  
**F112** Ss. 630-640A repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

**638 Other restrictions on approval.**

<sup>F113</sup> .....

**Textual Amendments**  
**F113** Ss. 630-640A repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

**[<sup>F114</sup>638ZA Personal pension arrangements with more than one pension date etc.**

<sup>F115</sup> .....

**Textual Amendments**  
**F114** S. 638ZA inserted (6.4.2001) by Finance Act 2000 (c. 17), **Sch. 13 para. 14** (with Sch 13 Pt. 2)  
**F115** Ss. 630-640A repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

**[<sup>F116</sup>638APower to prescribe restrictions on approval.**

<sup>F117</sup> .....

**Textual Amendments**  
**F116** S. 638A inserted (31.7.1998) by Finance Act 1998 (c. 36), **s. 94(1)**  
**F117** Ss. 630-640A repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

*Tax reliefs*

**639 Member’s contributions.**

<sup>F118</sup> .....

**Textual Amendments**  
**F118** Ss. 630-640A repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

**640 Maximum amount of deductions.**

<sup>F119</sup> .....

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**Textual Amendments**

**F119** Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

[<sup>F120</sup>**640A** **Earnings cap.**

<sup>F121</sup> .....

**Textual Amendments**

**F120** S. 640A inserted (with effect in accordance with [Sch. 7 para. 4\(2\)](#) of the amending Act) by [Finance Act 1989 \(c. 26\)](#), **Sch. 7 para. 4(1)**

**F121** Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

**641 Carry-back of contributions.**

<sup>F122</sup> .....

**Textual Amendments**

**F122** S. 641 repealed (with effect in accordance with [Sch. 13 para. 17](#) of the repealing Act) by [Finance Act 2000 \(c. 17\)](#), **Sch. 40** Pt, 2(4), Note 3 (with [Sch. 13 Pt. 2](#))

[<sup>F123</sup>**641A** **Election for contributions to be treated as paid in previous year.**

<sup>F124</sup> .....

**Textual Amendments**

**F123** S. 641A inserted (with effect in accordance with [Sch. 13 para. 18\(2\)](#) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), **Sch. 13 para. 18(1)** (with [Sch. 13 Pt. 2](#))

**F124** S. 641A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

**642 Carry-forward of relief.**

<sup>F125</sup> .....

**Textual Amendments**

**F125** S. 642 repealed (with effect in accordance with [Sch. 13 para. 19](#) of the repealing Act) by [Finance Act 2000 \(c. 17\)](#), **Sch. 40** Pt, 2(4), Note 4 (with [Sch. 13 Pt. 2](#))

**643 Employer's contributions and personal pension income etc.**

<sup>F126</sup> .....

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**Textual Amendments**

**F126** Ss. 643-646D repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**644 Meaning of “relevant earnings”.**

**F127** .....

**Textual Amendments**

**F127** Ss. 643-646D repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**645 Earnings from pensionable employment.**

**F128** .....

**Textual Amendments**

**F128** Ss. 643-646D repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**646 Meaning of “net relevant earnings”.**

**F129** .....

**Textual Amendments**

**F129** Ss. 643-646D repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[<sup>F130</sup> **646A** **Earnings from associated employments.**

**F131** .....]

**Textual Amendments**

**F130** S. 646A inserted (with effect in accordance with [Sch. 7 para. 8\(2\)](#) of the amending Act) by [Finance Act 1989 \(c. 26\)](#), [Sch. 7 para. 8\(1\)](#)

**F131** Ss. 643-646D repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[<sup>F132</sup> **646B** **Presumption of same level of relevant earnings etc for 5 years.**

**F133** .....

**Textual Amendments**

**F132** Ss. 646B, 646C inserted (with effect in accordance with [Sch. 13 para. 22\(2\)](#) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 13 para. 22\(1\)](#) (with [Sch. 13 Pt. 2](#))

**F133** Ss. 643-646D repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)



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## 646C Provisions supplementary to section 646B.

F134 .....]

### Textual Amendments

F132 Ss. 646B, 646C inserted (with effect in accordance with Sch. 13 para. 22(2) of the amending Act) by Finance Act 2000 (c. 17), Sch. 13 para. 22(1) (with Sch. 13 Pt. 2)

F134 Ss. 643-646D repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

## [<sup>F135</sup>646D] Higher level contributions after cessation of actual relevant earnings: modification of section 646B.

F136 .....]

### Textual Amendments

F135 S. 646D inserted (with effect in accordance with Sch. 13 para. 23(2) of the amending Act) by Finance Act 2000 (c. 17), Sch. 13 para. 23(1) (with Sch. 13 Pt. 2)

F136 Ss. 643-646D repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

## Charge to tax

## 647 Unauthorised payments.

F137 .....

### Textual Amendments

F137 Ss. 647-648A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 96, Sch. 8 Pt. 1 (with Sch. 7)

## 648 Contributions under unapproved arrangements.

F138 .....

### Textual Amendments

F138 Ss. 647-648A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 96, Sch. 8 Pt. 1 (with Sch. 7)

[<sup>F139</sup>F140 .....

### Textual Amendments

F139 S. 648A and preceding cross-heading inserted (with application in accordance with s. 109(2) of the amending Act) by Finance Act 1994 (c. 9), s. 109(1)

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**F140** Cross-heading preceding s. 648A omitted (1.5.1995) by virtue of [Finance Act 1995 \(c. 4\)](#), [Sch. 11 para. 12](#)

**648A Annuities: charge under Schedule E.**

**F141** .....

**Textual Amendments**

- F139** [S. 648A](#) and preceding cross-heading inserted (with application in accordance with [s. 109\(2\)](#) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 109\(1\)](#)
- F141** [Ss. 647-648A](#) repealed (6.4.2003 with effect in accordance with [s. 723\(1\)](#) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 96](#), [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

**[<sup>F142</sup>648B** **Return of contributions after pension date.**

**F143** .....]

**Textual Amendments**

- F139** [S. 648A](#) and preceding cross-heading inserted (with application in accordance with [s. 109\(2\)](#) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 109\(1\)](#)
- F142** [S. 648B](#) inserted (1.5.1995) by [Finance Act 1995 \(c. 4\)](#), [Sch. 11 para. 12](#)
- F143** [Ss. 648B-651A](#) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with [Sch. 36](#))

*Miscellaneous*

**649 Minimum contributions under Social Security Act 1986.**

**F144** .....

**Textual Amendments**

- F144** [Ss. 648B-651A](#) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with [Sch. 36](#))

**650 Withdrawal of approval.**

**F145** .....

**Textual Amendments**

- F145** [Ss. 648B-651A](#) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with [Sch. 36](#))

**[<sup>F146</sup>650A** **Charge on withdrawal of approval from arrangements.**

**F147** .....]

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**Textual Amendments**

- F146 S. 650A inserted (with effect in accordance with s. 95(4) of the amending Act) by [Finance Act 1998 \(c. 36\), s. 95\(1\)](#)
- F147 Ss. 648B-651A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

**651 Appeals.**

F148 .....

**Textual Amendments**

- F148 Ss. 648B-651A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

[<sup>F149</sup>651A] **Information powers.**

F150 .....

**Textual Amendments**

- F149 S. 651A inserted (31.7.1998) by [Finance Act 1998 \(c. 36\), s. 96\(1\)](#)
- F150 Ss. 648B-651A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

**652 Information about payments.**

F151 .....

**Textual Amendments**

- F151 S. 652 repealed (1.10.2000) by [Finance Act 1998 \(c. 36\), s. 96\(4\), Sch. 27 Pt. 3\(21\)](#), Note; S.I. 2000/2319, [art. 2](#)

**653 Information: penalties.**

F152 .....

**Textual Amendments**

- F152 Ss. 653-655 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

[<sup>F153</sup>653A] **Notices to be given to scheme administrator.**

F154 .....

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**Textual Amendments**

- F153** S. 653A inserted (with effect in accordance with s. 97(2) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [s. 97\(1\)](#)
- F154** Ss. 653-655 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**654 Remuneration of Ministers and other officers.**

F155 .....

**Textual Amendments**

- F155** Ss. 653-655 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

**655 Transitional provisions.**

F156 .....

**Textual Amendments**

- F156** Ss. 653-655 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

## CHAPTER V

### PURCHASED LIFE ANNUITIES

**656 Purchased life annuities other than retirement annuities.**

F157 .....

**Textual Amendments**

- F157** Ss. 656-658 omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 8](#)

**657 Purchased life annuities to which section 656 applies.**

F158 .....

**Textual Amendments**

- F158** Ss. 656-658 omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 8](#)

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**658 Supplementary.**

F159 .....

**Textual Amendments**

**F159** Ss. 656-658 omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 8**

**CHAPTER VI**

**MISCELLANEOUS**

[<sup>F160</sup>**658A**Charges and assessments on administrators.

F161 .....]

**Textual Amendments**

**F160** S. 658A inserted (retrospectively) by Finance Act 1998 (c. 36), **s. 98(1)**

**F161** S. 658A repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

<sup>F162</sup>**659** Financial futures and traded options.

.....

**Textual Amendments**

**F162** S. 659 repealed (with effect in accordance with s. 81(7)(8) of the repealing Act) by Finance Act 1990 (c. 29), s. 81(4), **Sch. 19 Pt. 4**, Note 9

[<sup>F163</sup>**659A**Futures and options.

- (1) For the purposes of sections <sup>F164</sup>... 613(4), 614(3) and (4) <sup>F164</sup>... —
- (a) “investments” (or “investment”) includes futures contracts and options contracts, and
  - (b) income derived from transactions relating to such contracts shall be regarded as income derived from (or income from) such contracts.

F164 .....

- (2) For the purposes of subsection (1) above a contract is not prevented from being a futures contract or an options contract by the fact that any party is or may be entitled to receive or liable to make, or entitled to receive and liable to make, only a payment of a sum (as opposed to a transfer of assets other than money) in full settlement of all obligations.]

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**Textual Amendments**

- F163** S. 659A inserted (with effect in accordance with s. 81(5) of the amending Act) by [Finance Act 1990 \(c. 29\), s. 81\(2\)](#)
- F164** Words in s. 659A(1) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

**[<sup>F165</sup>659B] Definition of insurance company.**

<sup>F166</sup> .....

**Textual Amendments**

- F165** Ss. 659B, 659C inserted (with effect in accordance with s. 60 of the amending Act) by [Finance Act 1995 \(c. 4\), s. 59\(5\)](#)
- F166** Ss. 659B-659D repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

**659C Effect of appointment or arrangements under section 659B.**

<sup>F167</sup> .....]

**Textual Amendments**

- F165** Ss. 659B, 659C inserted (with effect in accordance with s. 60 of the amending Act) by [Finance Act 1995 \(c. 4\), s. 59\(5\)](#)
- F167** Ss. 659B-659D repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

**[<sup>F168</sup>659D] Interpretation of provisions about pension sharing.**

<sup>F169</sup> .....]

**Textual Amendments**

- F168** S. 659D inserted (27.7.1999) by [Finance Act 1999 \(c. 16\), Sch. 10 para. 17](#)
- F169** Ss. 659B-659D repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

**[<sup>F170</sup>659E] Treatment of income from property investment LLPs**

- (1) The exemptions specified below do not apply to income derived from investments, deposits or other property held as a member of a property investment LLP [<sup>F171</sup>(see section 1004 of ITA 2007)].
- (2) The exemptions are those provided by—
  - <sup>F172</sup> .....
  - <sup>F172</sup> .....
  - section 613(4) (Parliamentary pension funds),
  - section 614(3) (certain colonial, &c. pension funds),
  - section 614(4) (the Overseas Service Pension Fund),

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section 614(5) (other pension funds for overseas employees),

F172

F172

(3) The income to which subsection (1) above applies includes relevant stock lending fees, in relation to any investments, to which any of the provisions listed in subsection (2) above would apply by virtue of section 129B.

(4) Section 659A (treatment of futures and options) applies for the purposes of subsection (1) above.]

**Textual Amendments**

**F170** S. 659E inserted (6.4.2001) by Finance Act 2001 (c. 9), s. 76(2), Sch. 25 para. 2

**F171** Words in s. 659E(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. 143 (with Sch. 2)

**F172** S. 659E(2): entries repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

**Status:**

Point in time view as at 06/04/2017.

**Changes to legislation:**

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