



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XIV

PENSION SCHEMES, SOCIAL SECURITY BENEFITS, LIFE ANNUITIES ETC.

CHAPTER I

RETIREMENT BENEFIT SCHEMES

Charge to tax in certain cases

[^{F1}599A Charge to tax: payments out of surplus funds.

- (1) This subsection applies to any payment which is made to or for the benefit of an employee or to his personal representatives out of funds which are or have been held for the purposes of—
 - (a) a scheme which is or has at any time been an exempt approved scheme, or
 - (b) a relevant statutory scheme established under a public general Act, and which is made in pursuance of a duty to return surplus funds.
- (2) On the making of a payment to which subsection (1) above applies, the administrator of the scheme shall be charged to income tax under Case VI of Schedule D at the relevant rate on such amount as, after deduction of tax at that rate, would equal the amount of the payment.
- (3) Subject to subsection (4) below, the relevant rate shall be 35 per cent.
- (4) The Treasury may by order from time to time increase or decrease the relevant rate.
- (5) Where a payment made to or for the benefit of an employee is one to which subsection (1) above applies, it shall be treated in computing the total income of the employee for the year in which it is made as income for that year which is—

Status: Point in time view as at 31/07/1998. This version of this provision has been superseded.

Changes to legislation: Income and Corporation Taxes Act 1988, Section 599A is up to date with all changes known to be in force on or before 04 August 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) received by him after deduction of income tax at the basic rate from a corresponding gross amount, and
- (b) chargeable to income tax under Case VI of Schedule D.
- (6) But ^{F2} . . . no repayment of income tax shall be made to the employee.
- (7) ^{F3}
- (8) Subsection (5) above applies whether or not the employee is the recipient of the payment.
- (9) Any payment chargeable to tax under this section shall not be chargeable to tax under section 598, 599 or 600 or under the Regulations mentioned in paragraph 8 of Schedule 3 to the Finance Act 1971.
- (10) In this section—
 “employee”, in relation to a relevant statutory scheme, includes any officer;
 references to any payment include references to any transfer of assets or other transfer of money’s worth.]

Textual Amendments

- F1** 1989 s.75 and Sch.6 paras.12 and 18(9) in relation to payments made on or after 27 July 1989.
- F2** Words in s. 599A(6) repealed (with effect in accordance with s. 121(8) of the repealing Act) by Finance Act 1996 (c. 8), s. 122(7)(b), **Sch. 41 Pt. 5(6)**, Note 3
- F3** S. 599A(7) repealed (with effect in accordance with s. 121(8) of the repealing Act) by Finance Act 1996 (c. 8), s. 122(7)(c), **Sch. 41 Pt. 5(6)**, Note 3

Modifications etc. (not altering text)

- C1** S. 599A(2) modified (6.4.2000) by The Income Tax (Charge to Tax) (Payments out of Surplus Funds) (Relevant Rate) Order 2000 (S.I. 2000/600), **art. 2**

Status:

Point in time view as at 31/07/1998. This version of this provision has been superseded.

Changes to legislation:

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