



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XIV

PENSION SCHEMES, SOCIAL SECURITY BENEFITS, LIFE ANNUITIES ETC.

CHAPTER II

OTHER PENSION FUNDS AND SOCIAL
SECURITY BENEFITS AND CONTRIBUTIONS

617 Social security benefits and contributions.

- (1) ^{M1}Payments of benefit under Chapters I to III of Part II of the ^{M2}Social Security Act 1975, Part II of the ^{M3}Social Security Pensions Act 1975, Chapters I to III of Part II of the ^{M4}Social Security (Northern Ireland) Act 1975 or Part III of the ^{M5}Social Security Pensions (Northern Ireland) Order 1975, except—
- (a) sickness benefit, invalidity benefit, attendance allowance, [^{F1} mobility allowance,] [^{F2}disability living allowance,]severe disablement allowance, maternity allowance, widow's payments, child's special allowance and guardian's allowance; and
 - (b) so much of any benefit as is attributable to an increase in respect of a child, shall be charged to income tax under Schedule E.
- (2) ^{M6}The following payments shall not be treated as income for any purpose of the Income Tax Acts—
- (a) payments of income support, family credit [^{F3}, disability working allowance]or housing benefit under the ^{M7}Social Security Act 1986 or the ^{M8}Social Security (Northern Ireland) Order 1986 other than payments of income support which are taxable by virtue of section 151;
 - [^{F4}(aa) payments by way of an allowance under section 70 of the Social Security Act 1975 and section 70 of the Social Security (Northern Ireland) Act 1975;]
 - (b) payments of child benefit; and

Status: Point in time view as at 06/04/1992. This version of this provision has been superseded.

Changes to legislation: *Income and Corporation Taxes Act 1988, Section 617 is up to date with all changes known to be in force on or before 12 June 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)*

- (c) payments excepted by subsection (1) above from the charge to tax imposed by that subsection.
- (3)^{M9} Subject to subsection (4) and (5) below, no relief or deduction shall be given or allowed in respect of any contribution paid by any person under—
- (a) Part I of the Social Security Act 1975, or
 - (b) Part I of the Social Security (Northern Ireland) Act 1975.
- (4) Subsection (3) above shall not apply to any secondary Class I contributions within the meaning of the Social Security Act 1975 or the Social Security (Northern Ireland) Act 1975 which is allowable as a deduction in computing profits or gains, in computing expenses of management under section 75 or under that section as applied by section 76 or in computing expenses of management or supervision under section 121.
- (5)^{M10} An individual making a claim in that behalf shall be entitled, in computing his total income for any year of assessment, to deduct one-half of any amount (as finally settled) which is determined under subsection (2) of section 9 of the Social Security Act 1975 or of the Social Security (Northern Ireland) Act 1975 and which he is liable to pay in respect of that year by way of Class 4 contributions under either of those sections.
- (6)^{M11} Until such day as may be appointed by the Secretary of State by order made by statutory instrument, subsection (1)(a) above shall have effect with the omission of the words “widow’s payments”.

Textual Amendments

- F1** Words in s. 617(1)(a) repealed (N.I.) (6.4.1992) by S.I. 1991/2874, **art.5**; S.R. 1992/94, **art.2**
- F2** Words in s. 617(1)(a) inserted (3.2.1992 for certain purposes and 6.4.1992 so far as not in force) by Disability Living Allowance and Disability Working Allowance Act 1991 (c. 21, SIF 113:1), s. 4(2), **Sch. 2 para. 18**; S.I. 1991/2167, **art. 2(c)(f)**
- F3** Words in s. 617(2)(a) inserted (10.3.1992 for certain purposes and 6.4.1992 so far as not in force) by Disability Living Allowance and Disability Working Allowance Act 1991 (c. 21, SIF 113:1), s. 7(2), **Sch. 3 para. 11**; S.I. 1991/2617, **art. 2(e)(f)**
- F4** S. 617(2)(aa) inserted by virtue of Social Security Act 1988 (c. 7), s. 16, **Sch. 4 para. 1** and S.I. 1988 No. 520 (*not reproduced*).

Modifications etc. (not altering text)

- C1** See 1989 s.41—*tax charged on amount accruing (1989-90 and subsequent years of assessment)*.

Marginal Citations

- M1** Source-1970 s.219(1)(a); 1971 s.18(1)(a); 1979 (No.2) Sch.1 4(1), Sch.2 3; 1981 s.27(1) 1982 s.30(1)
- M2** 1975 c. 14.
- M3** 1975 c. 60.
- M4** 1975 c. 15.
- M5** S.I. 1975/1503 (N.I. 15).
- M6** Source-1970 s.219(2); 1987 s.29(1)
- M7** 1986 c. 50.
- M8** S.I. 1986/1888 (N.I. 18)
- M9** Source-1970 s.219(3)
- M10** Source-1988 s.42(1)
- M11** Source-1970 s.219(1)

Status:

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