



# Income Tax (Trading and Other Income) Act 2005

## 2005 CHAPTER 5

### PART 4

#### SAVINGS AND INVESTMENT INCOME

#### CHAPTER 9

##### GAINS FROM CONTRACTS FOR LIFE INSURANCE ETC.

##### *Policies and contracts to which Chapter 9 applies*

#### **482 Excepted group life policies: conditions about persons intended to benefit**

- (1) Conditions A to C are the conditions referred to in section 480(3)(b) (definition of “excepted group life policy”).
- (2) Condition A is that any sums payable or other benefits arising under the policy must (whether directly or indirectly) be paid to or for, or conferred on, or applied at the direction of—
  - (a) an individual or charity beneficially entitled to them, or
  - (b) a trustee or other person acting in a fiduciary capacity who will secure that the sums or other benefits are paid to or for, or conferred on, or applied in favour of, an individual or charity beneficially.
- (3) Condition B is that no person who is, or is connected with, an individual whose life is insured under the policy may, as a result of a group membership right relating to that individual, receive (directly or indirectly) any death benefit in respect of another individual whose life is so insured.
- (4) In subsection (3)—

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*Changes to legislation: There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 482. (See end of Document for details)*

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“death benefit in respect of an individual” means any sums or other benefits payable or arising under the policy on the individual's death or anything representing any such sums or benefits, and

“group membership right”, in relation to an individual insured by a group life policy, means any right (including the right of any person to be considered by trustees in their exercise of a discretion) that is referable to that individual being one of the individuals whose lives are insured by the policy.

- (5) Condition C is that a tax avoidance purpose is not the main purpose, or one of the main purposes, for which a person is at any time—
- (a) the holder, or one of the holders, of the policy, or
  - (b) the person, or one of the persons, beneficially entitled under the policy.

- (6) In subsection (5)—

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

“tax avoidance purpose” means any purpose that consists in securing a tax advantage (whether for the holder of the policy or any other person).

- [<sup>F2</sup>(7) In this section “tax advantage” has the meaning given by [<sup>F3</sup>section 1139 of CTA 2010].]

#### Textual Amendments

- F1** S. 482(6): definition of 'tax advantage' repealed (6.4.2007 with effect as stated in s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1031, 1034, [Sch. 1 para. 533\(a\)](#), [Sch. 3 Pt. 1](#) (with transitional provisions and savings in [Sch. 2](#))
- F2** S. 482(7) inserted (6.4.2007 with effect as stated in s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1034, [Sch. 1 para. 533\(b\)](#), (with transitional provisions and savings in [Sch. 2](#))
- F3** Words in s. 482(7) substituted (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 468](#) (with [Sch. 2](#))

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 482.