
STATUTORY INSTRUMENTS

2000 No. 807

INCOME TAX

**The Retirement Benefits Schemes
(Indexation of Earnings Cap) Order 2000**

Made - - - - 21st March 2000

The Treasury, in exercise of the powers conferred on them by section 590C(6) of the Income and Corporation Taxes Act 1988⁽¹⁾, hereby make the following Order:

1. This Order may be cited as the Retirement Benefits Schemes (Indexation of Earnings Cap) Order 2000.
2. The figure specified by this Order, which is the figure found for the year of assessment 2000–01, for the purposes of section 590C of the Income and Corporation Taxes Act 1988, by virtue of subsections (4) and (5) of that section, is £91,800.

21st March 2000

David Jamieson
Jim Dowd
Two of the Lords Commissioners of Her
Majesty's Treasury

(1) 1988 c. 1; section 590C was inserted by paragraph 4 of Schedule 6 to the Finance Act 1989 (c. 26) and amended by section 107(4) and (5) of the Finance Act 1993 (c. 34).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Order)

Section 590C(1) of the Income and Corporation Taxes Act 1988 (“the Act”) provides that in arriving at an employee’s final remuneration for the purposes of section 590(3)(a) or (d) of the Act (conditions for approval of retirement benefits schemes), any excess over the permitted maximum figure (“the earnings cap”) for the year of assessment in which the employee’s participation in the scheme ceases shall be disregarded.

Section 590C(3) of the Act fixed the earnings cap for the years of assessment 1988–89 and 1989–90 at £60,000. Section 590C(4) and (5) of the Act (as amended by section 107(4) and (5) of the Finance Act 1993) provides for the earnings cap to be increased, for any subsequent year of assessment, in accordance with the percentage increase in the retail prices index for the September preceding that year of assessment over that for the previous September, rounded up to the nearest amount which is a multiple of £600. The retail prices index for the month of September 1998 is 164.4, and that for September 1999 is 166.2 (based on January 1987 as 100) (see Table 3.1 on page T28 of the November 1999 issue (No. 552) of *Economic Trends*, a publication of the Government Statistical Service).

Section 590C(6) of the Act provides that the Treasury shall in the year of assessment 1989–90, and in each subsequent year of assessment, make an order by statutory instrument specifying the earnings cap for the following year of assessment.

The earnings cap for the year of assessment 2000–01 specified by this Order is £91,800.