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SCHEDULES

SCHEDULE 8

SCHEDULE E: RELIEF AS RESPECTS TAX ON PAYMENTS ON RETIREMENT OR REMOVAL FROM OFFICE OR EMPLOYMENT

Relief by reduction of sums chargeable

- 3 In computing the charge to tax in respect of a payment chargeable to tax under section 187 of this Act, not being a payment of compensation for loss of office, there shall be deducted from the payment a sum equal to the amount (if any) by which the standard capital superannuation benefit for the office or employment in respect of which the payment is made exceeds £5,000.
- 4 In this Schedule " the standard capital superannuation benefit", in relation to an office or employment, means a sum arrived at as follows, that is to say—
- (a) there shall be ascertained the average for one year of the holder's emoluments from the office or employment for the last three years of his service before the relevant date (or for the whole period of his service if less than three years);
 - (b) one-twentieth of the amount ascertained at (a) shall be multiplied by the whole number of complete years of the service of the holder in the office or employment; and
 - (c) there shall be deducted from the product at (b) a sum equal to the amount, or, as the case may be, to the value at the relevant date, of any lump sum (not chargeable to tax) received or receivable by the holder in respect of the office or employment in pursuance of any such scheme or fund as is described in subsections (1) and (2) of section 221 of this Act:

Provided that no account shall be taken for the purposes of this paragraph of the service of any person as an officer or employee of a body corporate at any time while he was a controlling director (as defined in section 224(1) of this Act) of that body.

- 5 Where tax is chargeable under section 187 of this Act in respect of two or more payments to which paragraph 3 above applies, being payments made to or in respect of the same person in respect of the same office or employment or in respect of different offices or employments held under the same employer or under associated employers, then—
- (a) the said paragraph 3 shall apply as if those payments were a single payment of an amount equal to their aggregate amount and, where they are made in respect of different offices or employments, as if the standard capital superannuation benefit were an amount equal to the sum of the standard capital superannuation benefits for those offices or employments, and
 - (b) where the payments are treated as income of different chargeable periods, the relief to be granted under that paragraph in respect of a payment chargeable for any such period shall be the amount by which the relief computed in accordance with the preceding provision in respect of that

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payment and any payments chargeable for previous chargeable periods exceeds the relief in respect of the last-mentioned payments,

and where the standard capital superannuation benefit for an office or employment in respect of which two or more of the payments are made is not the same in relation to each of those payments, it shall be treated for the purposes of this paragraph as equal to the higher or highest of those benefits.

- 6 In computing the charge to tax in respect of a payment chargeable to tax under section 187 of this Act, being a payment made in respect of an office or employment in which the service of the holder includes foreign service and not being a payment of compensation for loss of office, there shall be deducted from the payment (in addition to any deduction allowed under the preceding provisions of this Schedule) a sum which bears to the amount which would be chargeable to tax apart from this paragraph the same proportion as the length of the foreign service bears to the length of the service before the relevant date.