



Finance Act 2004

2004 CHAPTER 12

PART 4

PENSION SCHEMES ETC

CHAPTER 4

REGISTERED PENSION SCHEMES: TAX RELIEFS AND EXEMPTIONS

Employers' contributions

196 Relief for employers in respect of contributions paid

- (1) This section makes provision about an employer's entitlement to relief in respect of contributions paid by the employer under a registered pension scheme in respect of any individual.
- (2) For the purposes of [^{F1}Part 2 of ITTOIA 2005][^{F2}or Part 3 of CTA 2009 (trading income)] —
 - (a) the contributions are to be treated as not being payments of a capital nature to the extent that they otherwise would be, and
 - (b) if they are allowed to be deducted in computing the amount of the profits of the employer, they are deductible in computing the amount of the profits for the period of account in which they are paid.
- (3) For the purposes of [^{F3}Chapter 2 of Part 16 of CTA 2009] (expenses of management: companies with investment business), the contributions—
 - (a) are to be treated as being expenses of management to the extent that they otherwise would not be, and
 - (b) are referable to the accounting period in which they are paid.
- (4) For the purposes of [^{F4}section 76 of FA 2012] (expenses of insurance companies), the contributions—

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- (a) are to be ^{F5}treated as meeting the conditions in section 77(2)(a) and (c) of that Act to the extent that they would otherwise not meet them], and
- (b) are referable to the accounting period in which they are paid.

^{F6}(5)

- (6) This section is subject to sections 197 and 198 (spreading of relief) (and to transitional provision contained in Part 4 of Schedule 36).

Textual Amendments

- F1** Words in s. 196(2) inserted (6.4.2006) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 646](#), [Sch. 2 para. 161](#) (with [Sch. 2](#))
- F2** Words in s. 196(2) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 573\(2\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F3** Words in s. 196(3) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 573\(3\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F4** Words in s. 196(4) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 113\(a\)](#)
- F5** Words in s. 196(4)(a) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 113\(b\)](#)
- F6** S. 196(5) omitted (retrospective to 6.4.2013) by virtue of [Finance Act 2013 \(c. 29\)](#), [s. 52\(5\)\(10\)](#)

Commencement Information

- I1** Ss. 160-274, 281, Schs. 30-35 in force at 6.4.2006 but any power to make an order or regulations under those provisions may be exercised at any time after Royal Assent, see s. 284

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 236ZA inserted by [S.I. 2024/357 art. 2\(2\)](#)