



Finance Act 2015

2015 CHAPTER 11

PART 2

EXCISE DUTIES AND OTHER TAXES

Inheritance tax

74 Inheritance tax: exemption for decorations and other awards

(1) In section 6 of IHTA 1984 (excluded property), for subsection (1B) substitute—

“(1B) A relevant decoration or award is excluded property if it has never been the subject of a disposition for a consideration in money or money's worth.

(1BA) In subsection (1B) “relevant decoration or award” means a decoration or other similar award—

- (a) that is designed to be worn to denote membership of—
 - (i) an Order that is, or has been, specified in the Order of Wear published in the London Gazette (“the Order of Wear”), or
 - (ii) an Order of a country or territory outside the United Kingdom,
- (b) that is, or has been, specified in the Order of Wear,
- (c) that was awarded for valour or gallant conduct,
- (d) that was awarded for, or in connection with, a person being, or having been, a member of, or employed or engaged in connection with, the armed forces of any country or territory,
- (e) that was awarded for, or in connection with, a person being, or having been, an emergency responder within the meaning of section 153A (death of emergency service personnel etc), or
- (f) that was awarded by the Crown or a country or territory outside the United Kingdom for, or in connection with, public service or achievement in public life.”

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- (2) The amendment made by subsection (1) has effect in relation to transfers of value made, or treated as made, on or after 3 December 2014.

75 Inheritance tax: exemption for emergency service personnel etc

- (1) IHTA 1984 is amended as follows.
(2) After section 153 insert—

“Emergency services

153A Death of emergency service personnel etc

- (1) The reliefs in subsection (2) apply where a person—
- (a) dies from an injury sustained, accident occurring or disease contracted at a time when that person was responding to emergency circumstances in that person's capacity as an emergency responder, or
 - (b) dies from a disease contracted at some previous time, the death being due to, or hastened by, the aggravation of the disease during a period when that person was responding to emergency circumstances in that person's capacity as an emergency responder.
- (2) The reliefs are—
- (a) that no potentially exempt transfer made by the person becomes a chargeable transfer under section 3A(4) because of the death,
 - (b) that section 4 (transfers on death) does not apply in relation to the death, and
 - (c) that no additional tax becomes due under section 7(4) because of a transfer made by the person within 7 years of the death.
- (3) “Emergency circumstances” means circumstances which are present or imminent and are causing or likely to cause—
- (a) the death of a person,
 - (b) serious injury to, or the serious illness of, a person,
 - (c) the death of an animal,
 - (d) serious injury to, or the serious illness of, an animal,
 - (e) serious harm to the environment (including the life and health of plants and animals),
 - (f) serious harm to any building or other property, or
 - (g) a worsening of any such injury, illness or harm.
- (4) A person is “responding to emergency circumstances” if the person—
- (a) is going anywhere for the purpose of dealing with emergency circumstances occurring there, or
 - (b) is dealing with emergency circumstances, preparing to do so imminently or dealing with the immediate aftermath of emergency circumstances.
- (5) For the purposes of this section, circumstances to which a person is responding are to be taken to be emergency circumstances if the person believes

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and has reasonable grounds for believing they are or may be emergency circumstances.

- (6) “Emergency responder” means—
- (a) a person employed, or engaged, in connection with the provision of fire services or fire and rescue services,
 - (b) a person employed for the purposes of providing, or engaged to provide, search services or rescue services (or both),
 - (c) a person employed for the purposes of providing, or engaged to provide, medical, ambulance or paramedic services,
 - (d) a constable or a person employed for police purposes or engaged to provide services for police purposes,
 - (e) a person employed for the purposes of providing, or engaged to provide, services for the transportation of organs, blood, medical equipment or medical personnel, or
 - (f) a person employed, or engaged, by the government of a state or territory, an international organisation or a charity in connection with the provision of humanitarian assistance.
- (7) For the purposes of subsection (6)—
- (a) it is immaterial whether the employment or engagement is paid or unpaid, and
 - (b) “international organisation” means an organisation of which—
 - (i) two or more sovereign powers are members, or
 - (ii) the governments of two or more sovereign powers are members.
- (8) The Treasury may, by regulations made by statutory instrument, extend the definition of “emergency responder” in subsection (6).
- (9) Regulations under this section are subject to annulment in pursuance of a resolution of the House of Commons.”
- (3) In section 154 (death on active service)—
- (a) in subsection (1), for “Section 4 shall not apply” substitute “ The reliefs in subsection (1A) apply ”,
 - (b) after that subsection insert—

“(1A) The reliefs are—

 - (a) that no potentially exempt transfer made by the deceased becomes a chargeable transfer under section 3A(4) because of the death,
 - (b) that section 4 (transfers on death) does not apply in relation to the death, and
 - (c) that no additional tax becomes due under section 7(4) because of a transfer made by the deceased within 7 years of the death.”,
 - (c) in subsection (2) omit “either” and after paragraph (b) insert “or
 - (c) responding to emergency circumstances in the course of the person's duties as a member of any of those armed forces or as a civilian subject to service discipline.”, and
 - (d) after that subsection insert—

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“(2A) Section 153A(3) to (5) applies for the purposes of this section.”

(4) After section 155 insert—

“Constables and service personnel

155A Death of constables and service personnel targeted because of their status

- (1) The reliefs in subsection (3) apply where a person—
 - (a) dies from an injury sustained or disease contracted in circumstances where the person was deliberately targeted by reason of his or her status as a constable or former constable, or
 - (b) dies from a disease contracted at some previous time, the death being due to, or hastened by, the aggravation of the disease by an injury sustained or disease contracted in circumstances mentioned in paragraph (a).
 - (2) The reliefs in subsection (3) apply where it is certified by the Defence Council or the Secretary of State that a person—
 - (a) died from an injury sustained or disease contracted in circumstances where the person was deliberately targeted by reason of his or her status as a service person or former service person, or
 - (b) died from a disease contracted at some previous time, the death being due to, or hastened by, the aggravation of the disease by an injury sustained or disease contracted in circumstances mentioned in paragraph (a).
 - (3) The reliefs are—
 - (a) that no potentially exempt transfer made by the person becomes a chargeable transfer under section 3A(4) because of the death,
 - (b) that section 4 (transfers on death) does not apply in relation to the death, and
 - (c) that no additional tax becomes due under section 7(4) because of a transfer made by the person within 7 years of the death.
 - (4) For the purposes of this section, it is immaterial whether a person who was a constable or service person at the time the injury was sustained or the disease was contracted was acting in the course of his or her duties as such at that time (and for this purpose ignore the references in subsections (1)(b) and (2)(b) to a disease contracted at some previous time).
 - (5) “Service person” means a person who is a member of the armed forces of the Crown or a civilian subject to service discipline (within the meaning of the Armed Forces Act 2006).
 - (6) This section does not apply where section 153A or 154 applies in relation to a person's death.”
- (5) The amendments made by this section have effect in relation to deaths occurring on or after 19 March 2014.

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