



Finance Act 1947

1947 CHAPTER 35

PART III

INCOME TAX.

Retirement and other benefits for directors and employees.

20 Exemptions from charge to tax under the preceding section.

- (1) The following payments shall be exempted from the operation of subsection (1) of the last preceding section, that is to say—
 - (a) payments made pursuant to a statutory superannuation scheme, or made to a superannuation fund approved (whether in whole or in part) by the Commissioners of Inland Revenue for the purposes of section thirty-two of the Finance Act, 1921 ;
 - (b) payments made pursuant to an excepted provident fund or staff assurance scheme or other similar scheme (as defined in section twenty-three of this Act) ;
 - (c) payments made by way of premium pursuant to a scheme the benefits whereunder are secured by premiums payable by the body corporate, with or without contributions by the directors or employees affected, under life or endowment assurance or life annuity contracts, being a scheme which was in operation before the sixth day of April, nineteen hundred and forty-seven, and which is not confined, or substantially confined, to directors and persons who, not being directors, are remunerated at a rate exceeding two thousand pounds a year, or to directors or to such persons.
- (2) Neither subsection (1) nor subsection (2) of the last preceding section shall apply so as to cause any sum to be deemed to be income as therein mentioned where the retirement benefits scheme in question is one under which the main benefit afforded to each of the persons to whom the scheme relates is the provision for him of a pension or annuity for his life, and either—

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- (a) that scheme was in operation before the sixth day of April, nineteen hundred and forty-four ; or
 - (b) that scheme is for the time being approved by the said Commissioners under the next succeeding section.
- (3) Where in respect of the provision for a director or employee of any future retirement or other benefits a sum has been deemed to be income of his by virtue either of subsection (1) or of subsection (2) of the last preceding section, and subsequently the director or employee proves to the satisfaction of the said Commissioners that no payment in respect of, or in substitution for, the benefits has been made and that some event has occurred by reason whereof no such payment will be made, and claims relief under this subsection within three years from the time when that event occurred, they shall give relief in respect of tax on that sum by repayment or otherwise as may be appropriate ; and if the director or employee satisfies the said Commissioners as aforesaid in relation to some particular part of the benefits but not the whole thereof, they may give such relief as may seem to them just and reasonable.
- (4) Where apart from this subsection any sum would be deemed, by virtue either of subsection (1) or of subsection (2) of the last preceding section, to be income of an employee for any year of assessment, but, by reason of his exercising his employment outside the United Kingdom he is not assessable to income tax under Schedule E in respect of the emoluments of his employment for that year, that subsection shall not apply so as to cause that sum to be deemed to be income of his for that year.