



Finance Act 1947

1947 CHAPTER 35

PART III

INCOME TAX.

Retirement and other benefits for directors and employees.

21 Approval of retirement benefit schemes.

- (1) Subject to the provisions of the next succeeding section the Commissioners of Inland Revenue shall approve a retirement benefits scheme for the purpose of subsection (2) of the last preceding section unless it appears to them that the scheme does not fall within the said subsection (2) by reason of the fact that the main benefit afforded thereby is not such as is therein mentioned, or that, although the main benefit is such as aforesaid, the scheme fails to satisfy some one or more of the following conditions, that is to say—
- (a) that that benefit will accrue only on retirement at a specified age or on earlier retirement through incapacity or on death ;
 - (b) that the nature of the benefits afforded by the scheme is the same in relation to all the persons to whom the scheme relates ;
 - (c) that the proportion between the value of the pensions or annuities provided for by the scheme, in so far as they are not commutable, and the value of all other benefits afforded thereby, including the value of so much, if any, of the said pensions or annuities as is commutable, is reasonably comparable to the proportion between the values of such benefits respectively as are usually afforded by statutory superannuation schemes ;
 - (d) that the aggregate value of the benefits, of whatever nature, afforded by the scheme is reasonably comparable to the aggregate value of the benefits usually afforded by statutory superannuation schemes in like circumstances ;
 - (e) that the pensions or annuities provided for by the scheme are not assignable, either in whole or in part; and

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- (f) that no service of a person, in whatever capacity/ rendered by him while he is a controlling director of the body corporate is taken into account for any of the purposes of the scheme :

Provided that the said Commissioners may, if they think fit, having regard to the facts of the particular case, approve a scheme the main benefit afforded whereby is such as is mentioned in subsection (2) of the last preceding section notwithstanding that it may not, in one or more respects, satisfy the whole of the aforesaid conditions.

- (2) Where the said Commissioners have given their approval to a scheme, they may at any time, by notice in writing to the body corporate in question, withdraw their approval on such grounds, and as from such date, as may be specified in the notice.
- (3) In the case of a scheme in existence at the passing of this Act the main benefit afforded whereby is not then such as is mentioned in subsection (2) of the last preceding section, or which does not then satisfy the conditions specified in subsection (1) of this section, but which is so altered before the sixth day of April, nineteen hundred and forty-eight, or within such further time as the said Commissioners may allow, as to be approvable under this section, approval thereof after the sixth day of April, nineteen hundred and forty-seven, shall, if the said Commissioners so direct, be deemed to have had effect as from that day.