Finance Act 1989

1989 CHAPTER 26

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Pensions etc.

75 Retirement benefits schemes

Schedule 6 to this Act (which relates to retirement benefits schemes) shall have effect.

76 Non-approved retirement benefits schemes

(1) In computing the amount of the profits or gains to be charged under Case I or Case II of Schedule D, no sum shall be deducted in respect of any expenses falling within subsection (2) or (3) below; and no expenses falling within either of those subsections shall be treated for the purposes of section 75 of the Taxes Act 1988 (investment companies) as expenses of management.

(2) Expenses fall within this subsection if—

(a) they are expenses of providing benefits pursuant to a relevant retirement benefits scheme, and

(b) the benefits are not ones in respect of which a person is on receipt chargeable to income tax.

(3) Expenses fall within this subsection if—

(a) they are expenses of paying any sum pursuant to a relevant retirement benefits scheme with a view to the provision of any benefits, and

(b) the sum is not one which when paid is treated as the income of a person by virtue of section 595(1) of the Taxes Act 1988 (sum paid with a view to the provision of any relevant benefits for an employee).

(4) No sum shall be deducted in respect of any expenses falling within subsection (5) or (6) below—

(a) in computing the amount of the profits or gains to be charged under Case I or Case II of Schedule D, or

(b) by virtue of section 75 of the Taxes Act 1988,

unless the sum has actually been expended.

(5) Expenses fall within this subsection if—

(a) they are expenses of providing benefits pursuant to a relevant retirement benefits scheme, and

(b) the benefits are ones in respect of which a person is on receipt chargeable to income tax.

(6) Expenses fall within this subsection if—

(a) they are expenses of paying any sum pursuant to a relevant retirement benefits scheme with a view to the provision of any benefits, and

(b) the sum is one which when paid is treated as the income of a person by virtue of section 595(1) of the Taxes Act 1988.

(7) In this section—

"retirement benefits scheme" has the same meaning as in Chapter I of Part XIV of the Taxes Act 1988, and

references to a relevant retirement benefits scheme are references to a retirement benefits scheme which is not of a description mentioned in section 596(1)(a), (b) or (c) of the Taxes Act 1988.

(8) This section has effect in relation to expenses incurred on or after the day on which this Act is passed.

77 Personal pension schemes

Schedule 7 to this Act (which relates to personal pension schemes) shall have effect.