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## SCHEDULES

### SCHEDULE 8

#### EMPLOYEES' BENEFITS AND INTEREST RELIEF: CONSEQUENTIAL AMENDMENTS

#### PART II

##### AMENDMENT OF [FINANCE ACT 1974 \(C.30\)](#) SCHEDULE 1 PART II

- 8 (1) Paragraph 5 of the Schedule shall be amended as follows.
- (2) In sub-paragraph (1) and sub-paragraph (2)(a), after "paragraph 4(1)(a)" there shall be inserted " or paragraph 4A(1) ".
- (3) In sub-paragraph (3), after paragraph (c) there shall be inserted " or if that other person falls within paragraphs (b) and (c) above and is by virtue of paragraph 4A above entitled to claim relief under section 75 of the Finance Act 1972 in respect of that part of the interest ".
- 9 In paragraph 7 of the Schedule, after " where " there shall be inserted " it is eligible only because ".
- 10 For paragraph 8 of the Schedule there shall be substituted the following—
- “8 (1) Where any interest paid by persons as the personal representatives of a deceased person or as trustees of a settlement made by his will would, on the assumptions required by this paragraph, be eligible for relief under section 75 of the Finance Act 1972 by virtue of Part I of Schedule 9 to that Act and, in a case where sub-paragraph (3) below applies, one of the conditions in sub-paragraph (4) below is satisfied, that interest shall be so eligible notwithstanding the preceding provisions of this Part of this Schedule.
- (2) For the purposes of sub-paragraph (1) above it shall be assumed that the deceased would have survived and been the borrower.
- (3) If, at his death—
- (a) the land, caravan, or house boat concerned was used as his only or main residence, or
- (b) it was used by him as a residence or was intended to be used in due course as his only or main residence and, in either case, he resided in job-related living accommodation,
- it shall be assumed for the purposes of sub-paragraph (1) above that that would have continued to be the case.
- (4) The conditions referred to in sub-paragraph (1) above are—
- (a) that, at the time the interest is paid, the land, caravan or house boat concerned is used as the only or main residence of the

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deceased's widow or widower or of any dependant relative of the deceased ;

- (b) that, at that time, it is used by the deceased's widow or widower as a residence or is intended to be used in due course as his or her only or main residence and, in either case, he or she resides in job-related living accommodation.

- (5) In this paragraph ' personal representatives ' has the meaning assigned to it by section 432 of the Taxes Act; and sub-paragraphs (3) to (6) of paragraph 4A above apply in relation to this paragraph as they do to that”.