



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 9

PENSION INCOME

CHAPTER 15

VOLUNTARY ANNUAL PAYMENTS

633 Voluntary annual payments

- (1) This section applies to an annual payment which—
 - (a) is paid voluntarily, or
 - (b) is capable of being discontinued,if conditions A and B are met.
- (2) Condition A is that the payment is paid to—
 - (a) a former employee or a former office-holder,
 - (b) the widow or widower of a former employee or former office-holder, or
 - (c) any child, relative or dependant of a former employee or a former office-holder.
- (3) Condition B is that the payment is paid by or on behalf of—
 - (a) the person—
 - (i) who employed the former employee, or
 - (ii) under whom the former office-holder held the office, or
 - (b) the successors of that person.

Status: This is the original version (as it was originally enacted).

- (4) But this section applies to a payment which is paid by or on a behalf of a person who is outside the United Kingdom only if it is paid to a person resident in the United Kingdom.
- (5) In this section “office” includes in particular any position which has an existence independent of the person who holds it and may be filled by successive holders.

634 Taxable pension income: UK voluntary annual payments

- (1) The taxable pension income for payments to which section 633 applies is determined in accordance with this section if the payments are made by or on behalf of a person who is in the United Kingdom.
- (2) The taxable pension income for a tax year is the full amount of the payments accruing in that year irrespective of when any amount is actually paid.

635 Taxable pension income: foreign voluntary annual payments

- (1) The taxable pension income for payments to which section 633 applies is determined in accordance with this section if the payments are made by or on behalf of a person who is outside the United Kingdom.
- (2) The taxable pension income for a tax year is the amount on which tax would be chargeable if the pension were charged to tax under Case V of Schedule D for that year (see in particular the provisions of ICTA listed in subsection (3)).
- (3) Those provisions of ICTA are—
 - (a) sections 65 and 68 (calculation of the amount of the income on which tax is to be charged in the tax year);
 - (b) section 584 (relief for unremittable overseas income);
 - (c) section 585 (relief on delayed remittances).

636 Person liable for tax

If section 633 applies, the person liable for any tax charged under this Part is the person receiving or entitled to the payment.