



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 9

PENSION INCOME

CHAPTER 17

EXEMPTIONS: ANY TAXPAYER

644 Pensions payable where employment ceased due to disablement

- (1) No liability to income tax arises on the exempt amount of a disablement pension.
- (2) For the purposes of this section a pension is a “disablement pension” if—
 - (a) the pension is payable because a person has ceased to hold an employment or office because of disablement, and
 - (b) that disablement is attributable to—
 - (i) performance of the duties of the employment or office, or
 - (ii) war injuries.

But “disablement pension” does not include any pension to which section 580 or 590 applies.

- (3) The exempt amount of a disablement pension is determined in accordance with the following steps.

Step 1

Determine what pension would have been payable if—

- (a) the person had ceased to hold the employment or office because of the disablement mentioned in subsection (2)(a), but
- (b) the disablement had not been attributable to—

Status: This is the original version (as it was originally enacted).

- (i) performance of the duties of the employment or office, or
- (ii) war injuries.

Step 2

If no pension would have been payable, the exempt amount is the amount of the disablement pension.

If a pension of a smaller amount than the disablement pension would have been payable, the exempt amount is the amount by which the disablement pension exceeds the smaller amount.

In any other case, the exempt amount is nil.

- (4) For the purposes of 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.