



Corporation Tax Act 2009

2009 CHAPTER 4

PART 20

GENERAL CALCULATION RULES

CHAPTER 1

RESTRICTION OF DEDUCTIONS

Unpaid remuneration

1288 Unpaid remuneration

- (1) This section applies if—
 - (a) an amount is charged in respect of employees' remuneration in a company's accounts for a period,
 - (b) the amount would, apart from this section, be deductible in calculating income from any source for corporation tax purposes, and
 - (c) the remuneration is not paid before the end of the period of 9 months immediately following the end of the period of account.
- (2) If the remuneration is paid after the end of that period of 9 months, the deduction for it is allowed for the period of account in which it is paid.
- (3) No deduction is allowed for the remuneration if it is not paid.
- (4) Provision corresponding to that made by this section is made by—
 - (a) section 1249 (in relation to expenses of management of a company's investment business), [^{F1}including as applied by section 82 of FA 2012]^{F2}...
 - ^{F2}(b)

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Corporation Tax Act 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

Textual Amendments

- F1** Words in s. 1288(4)(a) inserted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 209\(a\)](#)
F2 S. 1288(4)(b) and the word immediately preceding it omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\), Sch. 16 para. 209\(b\)](#)

1289 Unpaid remuneration: supplementary

- (1) For the purposes of section 1288 an amount charged in the accounts in respect of employees' remuneration includes an amount for which provision is made in the accounts with a view to its becoming employees' remuneration.
- (2) For the purposes of section 1288 it does not matter whether an amount is charged for—
 - (a) particular employments, or
 - (b) employments generally.
- (3) If the income is calculated before the end of the 9 month period mentioned in section 1288(1)(c)—
 - (a) it must be assumed, in making the calculation, that any remuneration which is unpaid when the calculation is made will not be paid before the end of that period, but
 - (b) if the remuneration is subsequently paid before the end of that period, nothing in this subsection prevents the calculation being revised and any tax return being amended accordingly.
- (4) For the purposes of this section and section 1288 remuneration is paid when it—
 - (a) is treated as received by an employee for the purposes of ITEPA 2003 by section 18 or 19 of that Act (receipt of money and non-money earnings), or
 - (b) would be so treated if it were not exempt income.
- (5) In this section and section 1288—

“employee” includes an office-holder and “employment” therefore includes an office, and

“remuneration” means an amount which is or is treated as earnings for the purposes of Parts 2 to 7 of ITEPA 2003.

Modifications etc. (not altering text)

- C1** S. 1289 applied by [2010 c. 8, s. 424A\(4\)](#) (as inserted (with effect in accordance with Sch. 11 para. 22 of the amending Act) by [Finance Act 2019 \(c. 1\), Sch. 11 para. 9](#))

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Corporation Tax Act 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 322(2A)(zb) inserted by [2016 c. 24 s. 73\(5\)](#)
- s. 934(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 12\(2\)](#)
- s. 962(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(5\)\(b\)](#)
- s. 962A(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(6\)\(b\)](#)
- s. 963(1A) inserted by [2023 c. 30 Sch. 2 para. 12\(7\)\(a\)](#)
- s. 1058B(5)(ea) inserted by [2023 c. 20 Sch. para. 57](#)
- s. 1094(2A)-(2C) inserted by [2012 c. 14 Sch. 3 para. 13\(3\)](#)
- s. 1106(4A)-(4C) inserted by [2012 c. 14 Sch. 3 para. 14\(3\)](#)
- s. 1138A applied by [S.I. 2024/348 reg. 3](#)