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## SCHEDULES

### FOURTH SCHEDULE

#### RELIEFS IN RESPECT OF TAX UNDER SECTION THIRTY-SEVEN

##### *Relief by reduction of tax*

- 7 In the case of any payment in respect of which tax is chargeable under section thirty-seven of this Act, the following relief shall be allowed by way of deduction from the tax chargeable by virtue of that section, that is to say, there shall be ascertained—
- (a) the amount of tax which would be chargeable apart from this paragraph in respect of the income of the holder or past holder of the office or employment for the year of assessment of which the payment is treated as income ;
  - (b) the amount of tax which would be so chargeable if the payment had not been made;
  - (c) the difference between the respective amounts of tax which would be so chargeable on the assumptions—
    - (i) that the appropriate fraction only of the payment (after deducting any relief applicable thereto under the foregoing provisions of this Schedule) had been made ; and
    - (ii) that no part of the payment had been made ;and disregarding, in each case, any other emoluments of the office or employment;
- and the amount to be deducted shall be the difference between the amount ascertained at (a) and the sum of the amount ascertained at (b) and the appropriate multiple of the difference ascertained at (c).
- 8 Where the income of the holder or past holder of the office or employment for the year of assessment of which the payment is treated as income includes income, tax on which he is entitled to charge against any other person, or to deduct, retain or satisfy out of any payment which he is liable to make to any other person, the amounts referred to in sub-paragraphs (a) to (c) of paragraph 7 of this Schedule shall be calculated as if that tax were not chargeable in respect of that income.
- 9 In this Schedule " the appropriate fraction" and " the appropriate multiple ", in relation to any payment, mean respectively—
- (a) where the payment is not a payment of compensation for loss of office, one-sixth and six ;
  - (b) where the payment is a payment of compensation for loss of office, one divided by the relevant number of years of unexpired service, and that number of years ;
- and for the purposes of this paragraph " the relevant number of years of unexpired service" means the number of complete years taken into account in calculating the amount of the payment, being years for which the holder of the office or employment would have been entitled (otherwise than by virtue of arrangements

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made in contemplation of his retirement or removal or of any relevant change in the functions or emoluments of the office or employment) to retain the office or employment or its full emoluments, and where the period taken into account as aforesaid is less than one complete year or exceeds an exact number of years, it shall be treated for the purposes of this paragraph as one complete year or as the next higher number of complete years, as the case may be.

- 10 Where tax is chargeable under section thirty-seven of this Act in respect of two or more payments to or in respect of the same person in respect of the same office or employment and is so chargeable for the same year of assessment, those payments shall be treated for the purposes of paragraph 7 of this Schedule as a single payment of an amount equal to their aggregate amount:

Provided that where the appropriate fraction and appropriate multiple are not the same for each of the payments, the calculations of relief under the said paragraph 7 shall be made separately in relation to each payment or payments having a different appropriate fraction and multiple, and in any such calculation—

- (a) any payment for which the appropriate multiple is lower shall be left out of account for all the purposes of the said paragraph 7; and
- (b) in ascertaining the difference at (c) of that paragraph it shall be assumed that the appropriate fraction only of any payment for which the appropriate multiple is higher had been made ;

and the relief to be allowed shall be the sum of the reliefs so calculated in respect of the payments respectively.

- 11 Where tax is chargeable under section thirty-seven of this Act in respect of two or more payments to or in respect of the same person in respect of different offices or employments, and is so chargeable for the same year of assessment, paragraphs 7 to 10 of this Schedule shall apply as if those payments were made in respect of the same office or employment and as if any emoluments of any of those offices or employments were emoluments of the same office or employment.