

**1999 No. 70**

**INCOME TAX**

**The Income Tax (Employments) (Amendment) Regulations  
1999**

*Made - - - - - 18th January 1999*  
*Laid before the House of Commons 18th January 1999*  
*Coming into force 6th April 1999*

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by section 203 of the Income and Corporation Taxes Act 1988(a) and paragraph 15 of Schedule 11 to that Act(b), hereby make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Income Tax (Employments) (Amendment) Regulations 1999 and shall come into force on 6th April 1999.

**Interpretation**

2. In these Regulations “the principal Regulations” means the Income Tax (Employments) Regulations 1993(c) and “regulation” means a regulation of the principal Regulations.

**Amendments to the principal Regulations**

3. After regulation 46A(d) there shall be inserted—

**“Termination payments and other benefits—information to be provided**

**46ZA.**—(1) Not later than 92 days after the end of a year, being the year 1998/99 or any subsequent year, an employer or former employer shall furnish to the inspector or other officer of the Board in respect of each employee or former employee the information specified in paragraph (2) relating to any award consisting of payments combined with other benefits, or consisting solely of other benefits—

- (a) which were awarded in that year in connection with the termination of that person’s employment with him or any change in the duties of or emoluments from his employment with him,
- (b) which, when provided (whether in that year or a subsequent year), would constitute payments and other benefits received within the meaning of section 148 of the Taxes Act(e), and

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(a) 1988 c. 1; section 203 was amended by section 128 of, and paragraph 4 of Schedule 3 to, the Finance Act 1988 (c. 39), section 45(3) of, and Part IV of Schedule 17 to, the Finance Act 1989 (c. 26), and paragraph 38 of Schedule 19, and Part V(23) of Schedule 26, to the Finance Act 1994 (c. 9).  
(b) Schedule 11 was substituted by Part I of Schedule 9 to the Finance Act 1998 (c. 36).  
(c) S.I. 1993/744; relevant amending instruments are S.I. 1993/2276, 1994/775 and 1212, 1995/1284, 1996/1312 and 1998/2484.  
(d) Inserted by S.I. 1994/775 and amended by S.I. 1998/2484.  
(e) Section 148 was substituted by section 58 of the Finance Act 1998.

- (c) whose total amount, when aggregated with other payments and benefits provided or to be provided (whether in that year or a subsequent year) in respect of the same person as mentioned in paragraph 7(2) of Schedule 11 to the Taxes Act, is estimated by the employer or former employer to exceed £30,000.
- (2) The information specified is—
- (a) the total amount of the payments and other benefits awarded, calculated as mentioned in paragraph (1)(c);
  - (b) the total amount of the payments made in that year in connection with the award;
  - (c) details of the non-cash benefits provided in that year in connection with the award, other than benefits previously contained in a return for that year under regulation 46(a), and the total amount of the cash equivalents of those benefits (within the meaning of paragraph 12(2) of Schedule 11 to the Taxes Act);
  - (d) the estimated total number of the years in which payments and other benefits are to be provided in connection with the award and, if the duration of any of those payments and other benefits is capable of being reduced in certain circumstances, details of those circumstances;
  - (e) the estimated total amount of the payments to be made in subsequent years in connection with the award;
  - (f) a description of each of the other benefits to be provided in subsequent years in connection with the award, and the terms of their provision.
- (3) In calculating the cash equivalents of non-cash benefits for the purposes of paragraphs (1) and (2), the employer or former employer—
- (a) shall not make—
    - (i) any deduction or other adjustment which he is unable to show, by reference to information in his possession or otherwise available to him, is authorised or required by any of the provisions of Chapter II of Part V of the Taxes Act or by section 596B(1)(b)(b) of that Act (“the relevant provisions”), or
    - (ii) any deduction authorised by section 156(8) of that Act; but
  - (b) subject to that, shall make all such deductions and other adjustments as may be authorised or required by the relevant provisions.
- (4) In calculating the total amount of payments and other benefits for the purposes of paragraphs (1)(c) and (2)(a), the employer or former employer—
- (a) shall have regard to the provisions of section 148 of, and Schedule 11 to, the Taxes Act,
  - (b) shall take into account the matters referred to in paragraph (2)(d), (e) and (f), and
  - (c) in valuing the amount of non-cash benefits for future years in connection with the award, shall assume that the provisions of the Taxes Act relating to those benefits will remain unchanged with respect to those years.
- (5) Paragraph (6) applies where—
- (a) information has not been furnished by the employer or former employer under paragraph (1) by the date referred to in that paragraph solely because either—
    - (i) the total amount of payments and other benefits awarded in the year in respect of the employee or former employee is estimated in accordance with sub-paragraph (c) of that paragraph not to exceed £30,000, or

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(a) Regulation 46 was substituted by S.I. 1995/1284 and amended by S.I. 1998/2484.

(b) Section 596B was inserted by paragraph 9 of Schedule 6 to the Finance Act 1989.

- (ii) the award made in the year consisted of payments only, and did not consist either of payments combined with other benefits or solely of other benefits, but
- (b) at some time after that date either—
  - (i) there is a change in the amount of the payments awarded, or the nature and amounts of other benefits awarded, such that the total amount of those payments and other benefits is estimated in accordance with sub-paragraph (c) of paragraph (1) to exceed £30,000, or
  - (ii) the nature of the award is changed so that it consists of payments combined with other benefits, or solely of other benefits.

(6) Where this paragraph applies, the employer or former employer shall, not later than 92 days after the end of the year in which the change occurred, furnish to the inspector or other officer of the Board the information specified in paragraph (2) with respect to those payments and other benefits.

(7) Not later than 92 days after the end of a year in which payments and other benefits to which paragraph (1) applies were awarded by an employer or former employer as mentioned in that paragraph or, as the case may be, not later than 92 days after the end of the year in which a change occurred as mentioned in paragraph (5)(b), the employer or former employer shall give to the employee or former employee in relation to whom the award was made a copy of the information specified in paragraph (2) relating to those payments and other benefits that was furnished to the inspector or other officer of the Board in accordance with paragraph (1) or, as the case may be, paragraph (6).

(8) A copy of the information referred to in paragraph (7) shall be duly given to the person concerned if it is sent or delivered to, or left at, that person's usual or last known address.

(9) Where following the furnishing of information by an employer or former employer in accordance with paragraph (1) or (6), there is a material change in the amount of the payments awarded, or the nature and amounts of other benefits awarded, in relation to the employee or former employee, the employer or former employer shall, not later than 92 days after the end of the year in which the material change occurred, give details of the material change to the inspector or other officer of the Board.

(10) Where the payments and other benefits aggregated in accordance with paragraph (1)(c) include payments and other benefits provided in respect of different employments with more than one employer, the employer or former employer by whom information is required to be furnished under paragraph (1), (6) or (9), or a copy of information is required to be given to the employee or former employee under paragraph (7), shall be the employer or the relevant former employer providing the greatest amount of payments and other benefits so aggregated.

(11) Information required to be furnished by an employer or former employer to an inspector or other officer of the Board in accordance with paragraphs (1) and (2) may be so furnished after the award is made but prior to the end of the year in which the payments and benefits are awarded; and in such a case sub-paragraphs (b) and (c) of paragraph (2) shall have effect, so far as concerns the furnishing of information relating to that year, as if they required the amounts and benefits there specified to be estimated by the employer or former employer as accurately as possible.

(12) In this regulation "employment" includes an office, and related expressions have a corresponding meaning."

*S. C. T. Matheson  
Tim Flesher*

18th January 1999

Two of the Commissioners of Inland Revenue

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations, which come into force on 6th April 1999, amend the Income Tax (Employments) Regulations 1993 (S.I. 1993/744) (“the principal Regulations”) by inserting a new regulation (46ZA) in those Regulations. The inserted regulation requires an employer or former employer to give details to the Inland Revenue of any award of payments combined with other benefits, or consisting solely of other benefits, in connection with the termination of a person’s employment or any change in the duties of his employment or emoluments from his employment where the total amount of the payments and other benefits exceeds £30,000 (“relevant payments and other benefits”), and to give the same details to the employee or former employee concerned. The inserted regulation reflects the new provision charging relevant payments and other benefits to tax which was introduced by section 58 of the Finance Act 1998 as the substituted section 148 of the Income and Corporation Taxes Act 1988 and which has effect for the year of assessment ending 5th April 1999 and subsequent years of assessment.

Regulation 1 provides for citation and commencement, and regulation 2 for interpretation.

Regulation 3 inserts regulation 46ZA in the principal Regulations so as to require details of relevant payments and other benefits awarded in any year of assessment to be given to the Inland Revenue and the employee concerned.

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