



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART V

PROVISIONS RELATING TO THE SCHEDULE E CHARGE

CHAPTER IV

OTHER EXEMPTIONS AND RELIEFS

Retirement benefits etc.

188 Exemptions from section 148.

^{F1}

Textual Amendments

^{F1} S. 188 repealed (with application in accordance with s. 58(4) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), s. 165, [Sch. 27 Pt. 3\(9\)](#), Note

189 Lump sum benefits on retirement.

^{F2(1)} ^{M1}A lump sum paid to a person ^{F3}(whether on his retirement from an office or employment or otherwise)] shall not be chargeable to income tax under Schedule E if—

- (a) it is paid in pursuance of any such scheme or fund as was described in section 221(1) and (2) of the 1970 Act or as is described in section 596(1) ^{F4}and is not excepted from this paragraph by subsection (2) or (3) below]; or
- (b) ^{F5}
- (c) it is paid under approved personal pension arrangements (within the meaning of Chapter IV of Part XIV).

Status: Point in time view as at 31/07/1998.

Changes to legislation: Income and Corporation Taxes Act 1988, Cross Heading: Retirement benefits etc. is up to date with all changes known to be in force on or before 05 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- [^{F6}(2) Subsection (1)(a) above does not apply to a payment of compensation for loss of office or employment, or for loss or diminution of emoluments, unless—
- (a) the loss or diminution is due to ill-health, or
 - (b) the payment is properly regarded as earned by past service.
- (3) Subsection (1)(a) above does not apply to a payment chargeable to tax under section 600 (payments not authorised by rules of scheme).]

Textual Amendments

- F2** S. 189 renumbered as s. 189(1) (with effect in accordance with s. 58(4) of the amending Act) by virtue of Finance Act 1998 (c. 36), s. 58(3), **Sch. 9 Pt. 2 para. 1(2)**
- F3** 1988(F) s.57 (which also amends 1973 s.14). Previously “on his retirement from an office or employment”.
- F4** Words in s. 189(1)(a) substituted (with effect in accordance with s. 58(4) of the amending Act) by Finance Act 1998 (c. 36), s. 58(3), **Sch. 9 Pt. 2 para. 1(3)**
- F5** S. 189(b) repealed (with effect in accordance with s. 108 of the repealing Act) by Finance Act 1994 (c. 9), s. 108(7), **Sch. 26 Pt. 5(12)**, Note 1
- F6** S. 189(2)(3) inserted (with effect in accordance with s. 58(4) of the amending Act) by Finance Act 1998 (c. 36), s. 58(3), **Sch. 9 Pt. 2 para. 1(4)**

Marginal Citations

- M1** Source—1973 s.14; 1987 Sch.2 3

190 Payments to Members of Parliament, Representatives to the European Parliament and others.

^{M2}Grants and other payments made—

- (a) in pursuance of a resolution of the House of Commons to a person ceasing to be a Member of that House on a dissolution of Parliament, or
- (b) under section 13 of the ^{M3}Parliamentary Pensions etc. Act 1984 [^{F7} or section 4 of the Ministerial and other Pensions and Salaries Act 1991](grants to persons ceasing to hold certain Ministerial and other offices), or
- (c) under section 3 of the ^{M4}European Parliament (Pay and Pensions) Act 1979 (resettlement grants to persons ceasing to be Representatives),

shall be exempt from income tax under Schedule E as emoluments, [^{F8}but without prejudice to any charge to tax under section 148] .

Textual Amendments

- F7** Words in s. 190(b) inserted by Ministerial and other Pensions Act 1991 (c. 5, SIF 89), s. 4(10)
- F8** Words in s. 190 substituted (with effect in accordance with s. 58(4) of the amending Act) by Finance Act 1998 (c. 36), s. 58(3), **Sch. 9 Pt. 2 para. 2**

Marginal Citations

- M2** Source—1972 s.72; 1984 s.29
- M3** 1984 c. 52.
- M4** 1979 c. 50.

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191 Job release scheme allowances not to be treated as income.

- ^{M5}(1) A payment on account of an allowance to which this section applies shall not be treated as income for any purposes of the Income Tax Acts.
- (2) This section applies to any allowance paid since the beginning of 1977 by the Secretary of State or the Department of Economic Development under any scheme of the kind described in the ^{M6}Job Release Act 1977, being a scheme which provides for the payment of allowances for periods beginning not earlier than one year before the date on which the recipient attains pensionable age as defined in that Act.

Marginal Citations

M5 Source—1977 s.30

M6 1977 c. 8.

Status:

Point in time view as at 31/07/1998.

Changes to legislation:

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