



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 4

SAVINGS AND INVESTMENT INCOME

CHAPTER 9

GAINS FROM CONTRACTS FOR LIFE INSURANCE ETC.

Calculating gains: general

495 Disregard of certain amounts in calculating gains under section 491

- (1) A retained replacement policy premium is ignored in calculating—
 - (a) the total benefit value of a policy under section 492(1), or
 - (b) the total allowable deductions for a policy under section 494(1).
- (2) In subsection (1) “retained replacement policy premium” means a sum which—
 - (a) has been payable under a policy which is one of two or more policies treated as a single policy under section 542(1) (qualifying policies and policies replacing them), and
 - (b) is such a sum as is mentioned in section 542(4) and meets the condition in that section.
- (3) For the purposes of section 492(1)(b) and (c) (total benefit value: capital sums and benefits paid or conferred before the event in question), any sum paid or benefit conferred under a policy is ignored if it is attributable to a person's disability.
- (4) For the purposes of section 492(1)(f) (total benefit value: assignments), a share assigned before the event is ignored if—

Changes to legislation: *There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income Tax (Trading and Other Income) Act 2005. 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*

- (a) it was assigned in an insurance year (see section 499) that began on or after 6th April 2001, and
 - (b) it was not assigned for money or money's worth.
- (5) The reference to the policy in subsection (3) includes any related policy.

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

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

- s. 7A-7D inserted by [2022 c. 3 Sch. 1 para. 3](#)
- s. 31E(4) inserted by [2022 c. 3 Sch. 1 para. 7\(3\)](#)
- s. 649(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 11\(2\)](#)
- s. 679(3A) inserted by [2023 c. 30 Sch. 2 para. 11\(5\)\(b\)](#)
- s. 679A(3A) inserted by [2023 c. 30 Sch. 2 para. 11\(6\)\(b\)](#)
- s. 680(1A) inserted by [2023 c. 30 Sch. 2 para. 11\(7\)\(a\)](#)