



Corporation Tax Act 2009

2009 CHAPTER 4

PART 20

GENERAL CALCULATION RULES

CHAPTER 1

RESTRICTION OF DEDUCTIONS

Employee benefit contributions

1290 Employee benefit contributions

- (1) This section applies if, in calculating for corporation tax purposes the profits of a company (“the employer”) of a period of account, a deduction would otherwise be allowable for the period in respect of employee benefit contributions made or to be made (but see subsection (4)).
- (2) No deduction is allowed for the contributions for the period except so far as—
 - (a) qualifying benefits are provided, or qualifying expenses are paid, out of the contributions during the period or within 9 months from the end of it, or
 - (b) if the making of the contributions is itself the provision of qualifying benefits, the contributions are made during the period or within 9 months from the end of it.
- (3) An amount disallowed under subsection (2) is allowed as a deduction for a subsequent period of account so far as—
 - (a) qualifying benefits are provided out of the contributions before the end of the subsequent period, or
 - (b) if the making of the contributions is itself the provision of qualifying benefits, the contributions are made before the end of the subsequent period.
- (4) This section does not apply to any deduction that is allowable—

Status: This is the original version (as it was originally enacted).

- (a) for anything given as consideration for goods or services provided in the course of a trade or profession,
 - (b) for contributions under a registered pension scheme or under a superannuation fund to which section 615(3) of ICTA applies,
 - (c) for contributions under a qualifying overseas pension scheme in respect of an individual who is a relevant migrant member of the pension scheme in relation to the contributions,
 - (d) for contributions under an accident benefit scheme,
 - (e) under Chapter 1 of Part 11 (share incentive plans),
 - (f) under section 67 of FA 1989 (qualifying employee share ownership trusts), or
 - (g) under Part 12 (other relief for employee share acquisitions).
- (5) For the purposes of subsection (4)(c) “qualifying overseas pension scheme” and “relevant migrant member” have the same meaning as in Schedule 33 to FA 2004 (see paragraphs 4 to 6 of that Schedule).
- (6) See also—
- section 1291 (making of “employee benefit contributions”),
 - section 1292 (provision of qualifying benefits),
 - section 1293 (timing and amount of certain qualifying benefits),
 - section 1294 (provision or payment out of employee benefit contributions),
 - section 1295 (profits calculated before end of 9 month period),
 - section 1296 (interpretation of sections 1290 to 1296),
 - section 1297 (some special rules for companies carrying on a life assurance business).