
*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2013, Paragraph 126. (See end of Document for details)*

SCHEDULES

SCHEDULE 45

STATUTORY RESIDENCE TEST

PART 4

ANTI-AVOIDANCE

New special rule: lump sum payments under pension schemes etc

126 In Chapter 2 of Part 7A (employment income provided through third parties: treatment of relevant step for income tax purposes), after section 554Z4 insert—

“554Z4A Temporary non-residents

- (1) This section applies if A is temporarily non-resident.
- (2) Any relevant step within subsection (3) is to be treated for the purposes of section 554Z2 as if it were taken in the period of return.
- (3) A relevant step is within this subsection if—
 - (a) it is the payment of a lump sum to a relevant person (see section 554C(2)),
 - (b) the lump sum is a relevant benefit provided under a relevant scheme,
 - (c) the step is taken in the temporary period of non-residence, and
 - (d) ignoring this section—
 - (i) no charge to tax arises by virtue of section 554Z2 by reason of the step, but
 - (ii) such a charge would arise if the existence of any double taxation relief arrangements were disregarded.
- (4) Subsection (3)(d)(i) includes a case where the charge could be prevented by making a DTR claim, even if no claim is in fact made.
- (5) Nothing in any double taxation relief arrangements is to be read as preventing A from being chargeable to income tax in respect of any relevant step treated by virtue of this section as taken in the period of return (or as preventing a charge to that tax from arising as a result).
- (6) Part 4 of Schedule 45 to FA 2013 (statutory residence test: anti-avoidance) explains—
 - (a) when an individual is to be regarded as “temporarily non-resident”, and
 - (b) what “the temporary period of non-residence” and “the period of return” mean.

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(7) In this section—

“double taxation relief arrangements” means arrangements that have effect under section 2(1) of TIOPA 2010;

“DTR claim” means a claim for relief under section 6 of that Act;

“relevant benefit” has the same meaning as in Chapter 2 of Part 6;

“relevant scheme” means an employer-financed retirement benefits scheme (within the meaning of that Chapter) or a superannuation fund to which section 615(3) of ICTA applies.”

Changes to legislation:

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