

SCHEDULES

SCHEDULE 12

PILLAR TWO

PART 2

MULTINATIONAL TOP-UP TAX

Pension expense

7 For section 147 (accrued pension expense) substitute—

“147 Accrued pension expense

- (1) This section applies in an accounting period where a member of a multinational group—
 - (a) has made contributions to a pension fund in the period,
 - (b) has received amounts from the pension fund in the period, or
 - (c) otherwise has amounts of income or expense relating to the pension fund reflected in its underlying profits.
- (2) Take the amount of income or expense (expressed as a negative number where expense) that has arisen directly in respect of the fund as reflected in the member’s underlying profits and—
 - (a) add the sum of contributions made to the fund by the member in the period, and
 - (b) subtract any amount received by the member from the fund in the period.
- (3) If the result of subsection (2)—
 - (a) is more than nil, reduce the underlying profits by that result, or
 - (b) is less than nil, increase the underlying profits by that result (as expressed a positive number).”