
STATUTORY INSTRUMENTS

1981 No. 1648**INCOME TAX****The Income Tax (Holiday Pay) Regulations 1981**

Made - - - - 19th November 1981

*Laid before the
House of Commons - 19th November 1981*

Coming into Operation 1st January 1982

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by section 204 of the Income and Corporation Taxes Act 1970(a), hereby make the following Regulations:—

Citation, commencement and interpretation

1. These Regulations may be cited as the Income Tax (Holiday Pay) Regulations 1981 and shall come into operation on 1st January 1982. These Regulations are supplemental to the Income Tax (Employments) Regulations 1973(b) (hereinafter referred to as “the Principal Regulations”).

2.—(1) In these Regulations, unless the context otherwise requires, words and expressions to which meanings are assigned by the Principal Regulations, or in which other words or expressions are stated in the Principal Regulations to be included, are to be interpreted in accordance with the Principal Regulations.

(2) Subject to the immediately preceding paragraph, and without prejudice to the generality thereof, in these Regulations, except where the context otherwise requires—

“fund” means a person who pays holiday pay to an individual who is not employed by him or, on the death of that individual, to some other person;

“holiday pay” means any payment obtained by an individual (or, on his death, by some other person) in exchange for a voucher, stamp or similar document purchased by a person who employs (or employed) that individual paid on or after 6th April 1982 for any holiday period or paid before that date to provide payment for the Easter or Spring Holiday 1982;

“recipient” means an individual or, on that individual’s death, some other person claiming in respect of that individual’s right who is paid holiday pay by a fund.

(a) 1970 c. 10.

(b) S.I. 1973/334; a relevant amending instrument is S.I. 1981/44.

3. Parts II and III of the Principal Regulations shall not apply to holiday pay paid by a fund:

Provided that nothing in these Regulations shall affect the application of the Principal Regulations to any other emoluments of a recipient.

Deduction of tax

4. A fund, on making any payment of holiday pay to a recipient, shall deduct income tax at the basic rate in force at the time payment is made.

Fund records

5. The fund shall record on a deductions working sheet the following particulars regarding every payment of holiday pay made to a recipient, namely—

- (a) the recipient's name;
- (b) the tax year to which the deductions working sheet relates;
- (c) the date of the payment;
- (d) the amount of the payment; and
- (e) the amount of tax deducted on making the payment.

Repayment to recipient during the year

6. No tax deducted from a payment of holiday pay shall be repaid to a recipient by the fund, but the Inspector, on application being made to him by the recipient, may make such repayment to the recipient as may be appropriate at any time during the year having regard to—

- (a) the holiday pay of the recipient (or of the individual in respect of whose right the recipient is paid) for the period from the beginning of the year up to and including the date of that application;
- (b) the amount of tax deducted from that holiday pay as evidenced by certificates of pay and tax supplied under Regulation 7 of these Regulations; and
- (c) any reliefs from income tax to which the recipient is, or the individual in respect of whose right the recipient is paid was, entitled, his income for the year from all other sources and his liability to tax on that income, as estimated by the Inspector.

Certificates of tax deducted

7. On each occasion of payment the fund shall give the recipient a certificate in a form authorised by the Commissioners of Inland Revenue showing in respect of any payment of holiday pay made during the year—

- (a) the recipient's name;
- (b) the tax year in which the payment is made;
- (c) the date of the payment;
- (d) the amount of the payment; and
- (e) the amount of tax deducted on making the payment.

Application of Parts IV and VII of the Principal Regulations

8. Part IV of the Principal Regulations (payment and recovery of tax, etc) shall apply with any necessary modifications as if the tax liable to be deducted under Regulation 4 of these Regulations were liable to be deducted under the Principal Regulations, and Part VII of the Principal Regulations (assessment and direct collection) shall apply with any necessary modifications to holiday pay.

By Order of the Commissioners of Inland Revenue.

J. D. Taylor Thompson,
Secretary.

19th November 1981.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations, which come into operation on 1st January 1982, modify the Regulations relating to Income Tax under Pay As You Earn in respect of holiday pay paid to a participant in a holiday stamp scheme by the scheme management company. They provide for the deduction from such pay of income tax at the basic rate in force at the time of payment.

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