

2011/1502

Taxation of Equitable Life (Payments) Order 2011

Made 15 June 2011

Coming into force in accordance with article 1(1)

[PREA

The Treasury make the following Order in exercise of the powers conferred by section 1(3) and (4) of the Equitable Life (Payments) Act 2010

In accordance with section 1(5) of that Act, a draft of this Order was laid before Parliament and approved by a resolution of each House of Parliament.

[MAIN

1 Citation, commencement, effect and interpretation

(1) This Order may be cited as the Taxation of Equitable Life (Payments) Order 2011 and shall come into force on the day after the day on which it is made.

(2) This Order has effect in relation to authorised payments made after the day on which this Order is made.

(3) In this Order “authorised payment” means a payment to which section 1 of the Equitable Life (Payments) Act 2010 applies.

2 Capital gains tax

An authorised payment shall be disregarded for the purposes of capital gains tax.

3 Corporation tax

An authorised payment shall be disregarded for the purposes of the Corporation Tax Acts.

4 Income tax

An authorised payment shall be disregarded for the purposes of the Income Tax Acts.

5 Inheritance tax

(1) For the purposes of the Inheritance Tax Act 1984—

(a) in determining the value of a person’s estate immediately before that person’s death, no account shall be taken of any value attributable to a right to, or interest in, an authorised payment made after that person’s death; and

(b) in determining the value of relevant property immediately before a ten-year anniversary for the purposes of the charge under section 64 of the Inheritance Tax Act 1984, no account shall be taken of any value attributable to a right to, or interest in, an authorised payment made on or after that ten-year anniversary.

(2) In this article—

“estate” has the meaning given by section 272 of the Inheritance Tax Act 1984;

“relevant property” has the meaning given by section 58 of that Act; and

“ten-year anniversary” has the meaning given by section 61 of that Act.

6 Tax Credits

In calculating investment income in accordance with regulation 10 of the Tax Credits (Definition and Calculation of Income) Regulations 2002, an authorised payment shall be disregarded.