



INCOME TAX ACT 1970

INCOME TAX (PAYMENTS ON RETIREMENT) ORDER 1998

Approved by Tynwald 17th March 1998
Coming into operation 6th April 1998

In exercise of the powers conferred on the Treasury by section 48A (4) of the Income Tax Act 1970(a), and of all other enabling powers, the following Order is hereby made :-

Citation, commencement and application

1. (1) This Order may be cited as the Income Tax (Payments on Retirement) Order 1998 and, subject to section 48A (4) of the Income Tax Act 1970, shall come into operation on the 6th April, 1998.
- (2) This Order shall apply in respect of any termination payments made in the income tax year commencing 6th April 1998 and subsequent years.

Interpretation

2. In this Order -

“termination payment” means a payment which is made, whether in pursuance of any legal obligation or not, either directly or indirectly in consideration or in consequence of, or otherwise in connection with, the termination of the holding of any office or employment or any change in its functions or emoluments, including any payment in commutation of annual or periodical payments (whether chargeable to tax or not) which would otherwise have been made as aforesaid.

Termination payment : amount not chargeable

3. In section 48A (1) of the Income Tax Act 1970, the maximum amount on which tax shall not be charged in respect of a termination payment shall be varied by increasing it from £20,000 to £30,000.

(a) Vol. XXI p. 260 ; section 48A added by section 5 of 1986 c.25 and section 48A(1) substituted by section 6 of 1991 c.17

MADE

6/3/98



Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Order.)

The Order is made under the Income Tax Act 1970. The amount on which income tax shall not be charged in respect of a termination payment is being increased for payments made on or after 6th April 1998 from £20,000 to £30,000. The limit of £20,000 has applied since the legislation was first introduced in 1986.