

Amendment 4 to Schedule 2: Estates in administration and trusts

Summary

1. This amendment excludes certain pension funds from consideration when determining the amount of reduction to a trustee's "de minimis estates amount".

Details of the amendment

2. This amendment inserts new subparagraph (za) into new subsection 24B(9) to the Income Tax Act (ITA) 2007 (as inserted by paragraph 10(3) to Schedule 2).
3. New subsection 24B(9) contains a list of conditions that are required to be met for new subsection 24B(5) to apply (calculation of the settlor's threshold amount), or for new subsection 24B(8) to be met (meaning of "qualifying settlement").
4. The inserted condition is that the property in the trust is not held for the purposes of a registered pension scheme; a superannuation fund to which section 615(3) of the Income and Corporation Taxes Act 1988 applies; or an occupational pension scheme (within the meaning of section 150(5) of the Finance Act 2004) that is not a registered pension scheme.

Background note

5. New section 24B to ITA 2007 generally removes trustees from income tax when their trust has income of up to £500 for a tax year. It also reduces the £500 amount, subject to some exceptions, when a settlor of the trust has made other trusts. This amendment expands those exceptions.