

Explanatory Note

Clause 15: Netherlands Benefit Act for Victims of Persecution 1940-1945

Summary

1. This clause exempts from income tax payments to individuals made by the Netherlands Government under the 'Wet uitkeringen vervolgingslachtoffers 1940 – 1945' (Wuv) scheme.

Details of the clause

2. Part 9, Chapter 17 inserts a new Section 642A to the Income Tax (Employment and Pensions) Act (ITEPA) 2003.

Section 642A

3. Section 642A provides that any payments received by individuals under the Wuv scheme will be exempt from income tax.

Background note

4. The Netherlands' Wuv scheme makes payments to eligible individuals that were victims of persecution in Europe or Asia during the Second World War. In order to benefit from the scheme, recipients must either have had Dutch nationality, have been a Dutch subject or persecuted on Dutch territory and later acquired Dutch nationality.
5. Payments from the Netherlands government through the scheme are currently included in the calculation of an individual's Income Tax liability.
6. In April 2014, an Upper Tribunal Administrative Appeal Chamber ruled on a Housing Benefit claim, where a victim of National Socialist persecution who received payments from a Netherlands scheme contended that the failure to treat the payments in the same way as pensions and annuities from Germany or Austria amounted to unlawful discrimination.
7. This measure will therefore bring payments to victims of national-socialist and Japanese aggression, made through the scheme, into line with those made by the Federal Republic of Germany or Austria by removing the income tax liability of those payments.
8. The exemption from income tax of any such payment will apply from April 2016.
9. If you have any questions about this change, please contact Claire Ritchie on 03000 586813 (email: claire.ritchie@hmrc.gsi.gov.uk).