

Charge to tax: repayments to employer. FA72 s23 782.—(1) Where any payment is made or becomes due to an employer out of funds which are or have been held for the purposes of a scheme which is or has at any time been an exempt approved scheme, then—

(a) if the scheme relates to a trade or profession carried on by the employer, the payment shall be treated for the purposes of the Tax Acts as a receipt of that trade or profession receivable when the payment is due or on the last day on which the trade or profession is carried on by the employer, whichever is the earlier;

(b) if the scheme does not relate to such a trade or profession, the employer shall be charged to tax on the amount of the payment under Case IV of Schedule D, but only in proportion to the extent that the payment represents contributions by the employer under the scheme which were allowable as deductions for tax purposes.

(2) This section shall not apply to a payment which was due before the scheme became an exempt approved scheme.

(3) References in this section to any payment include references to any transfer of assets or other transfer of money's worth.