HMRC - CG35020 - Settlor Trusts: Share Option Schemes: Trusts For Employees

There is nothing in Section 77 itself to prevent it being applied to a company. In particular, where a company has set up a settlement for its employees, the deed may provide that if all the trusts fail, the property may revert to the company. The most common cases are share option schemes and unapproved pension schemes. In the latter case it can also be argued that the employees themselves are also settlors.

The Revenue Booklet entitled `The tax treatment of Top-Up Pension Schemes’, Para 2.7.5, states:

`The `benefit to settlor’ rules in Part XV Taxes Act and FA88/SCH10 [TCGA92/S77 - TCGA92/S79] can apply to top-up pension schemes. But this is not likely to be the case where the structure and operation of a scheme are broadly similar to an approved pension scheme.’

Previous page

Next page