1961 No. 591

INCOME TAX

The Income Tax (Employments) (No. 8) Regulations, 1961

Made - - - -	*24th March*, 1961
Laid before the House of Commons	*29th March*, 1961
Coming into Operation	*6th April*, 1961

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by Section 157 of the Income Tax Act, 1952(a), hereby make the following Regulations:—

1.—(1) These Regulations may be cited as the Income Tax (Employments) (No. 8) Regulations, 1961, and shall come into operation on the 6th day of April, 1961.

(2) The Interpretation Act, 1889(b), shall apply to these Regulations as it applies to an Act of Parliament.

2. In these Regulations the expression "the principal Regulations" means the Income Tax (Employments) Regulations, 1950(c), as amended(d).

3. Paragraph (3) (*c*) of Regulation 17 of the principal Regulations shall have effect as if for the words "five pounds" there were substituted the words "ten pounds".

4. Paragraph (7) of Regulation 17 of the principal Regulations shall have effect as if the following were inserted at the end thereof:—

"but any such person shall within fourteen days after the retirement send to the Inspector a certificate on the prescribed form containing the following particulars, viz.:—

(*a*) the name of the employee;

(*b*) the date of the employee's retirement;

(*c*) the cumulative emoluments at the date of retirement;

(*d*) the amount of the pension payable weekly or monthly as the case may be".

5. Regulation 34 of the principal Regulations shall have effect as if the following words were inserted at the end thereof:—

"leave pay, pay in lieu of leave, leave subsistence allowance and pay in respect of overtime".

6. Regulation 35 of the principal Regulations shall have effect as if—

(1) in paragraph (2) after the word "engagement" there were inserted the words "as extended by the period for which paid leave is due";

(a) 15 & 16 Geo. 6 & 1 Eliz. 2. c. 10. (b) 52 & 53 Vict. c. 63.
(c) S.I. 1950/453 (1950 I, p. 1069). (d) S.I. 1951/836, 1952/1004, 1758, 1954/1577, 1955/835, 1958/1166 (1951 I, p. 1122; 1952 I, pp. 1219, 1220; 1954 I, p. 992; 1955 I, p. 1017; 1958 I, p. 1258).

(2) in the proviso, the letter (*a*), the word "and" at the end of paragraph (*a*) and paragraph (*b*) were deleted.

7. Regulation 36 of the principal Regulations shall have effect as if the words from "pay or" to "in lieu of leave or" in head (*c*) and the proviso were deleted.

By order of the Commissioners of Inland Revenue.

A. J. N. Miller,
Secretary.

24th March, 1961.

EXPLANATORY NOTE

(This Note is not part of the Regulations, but is intended to indicate their general purport.)

These Regulations make a number of minor amendments to the Regulations governing Pay As You Earn.

Regulation 3 increases from £5 to £10 the amount which an employer can repay to a new employee without authority from the Inspector of Taxes.

Regulation 4 provides that employers shall notify the Inspector when an employee retires on pension.

Regulations 5-7 amend the special Pay As You Earn system which is operated in the Merchant Navy; leave pay, pay in lieu of leave and leave subsistence allowance are made subject to deduction of tax, which they are not at present. Overtime pay, from some of which tax is now deducted separately, is all made subject to deduction of tax on the same basis as other pay.

Regulation 5 accordingly extends the definition of "wages" from which tax is deductible.

Regulation 6 extends the period of engagement to include periods of paid leave.

Regulation 7 makes consequential amendments.