

U.K. "Disguised Remuneration" Legislation in Effect

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Finance Act 2011 includes legislation designed to tax "disguised remuneration" effective for the 2011-2012 tax year. The legislation targets tax avoidance arrangements in the form of (1) arrangements that involve third parties (including trusts or other vehicles used to reward employees) and seek to avoid or defer the payment of income tax and (2) unregistered pension schemes. While there are a number of detailed exclusions, if the legislation applies, it deems an amount to be subject to taxation as employment income even if the employee has not yet actually received such income and may never receive such income. Draft guidance can be found [here](#).