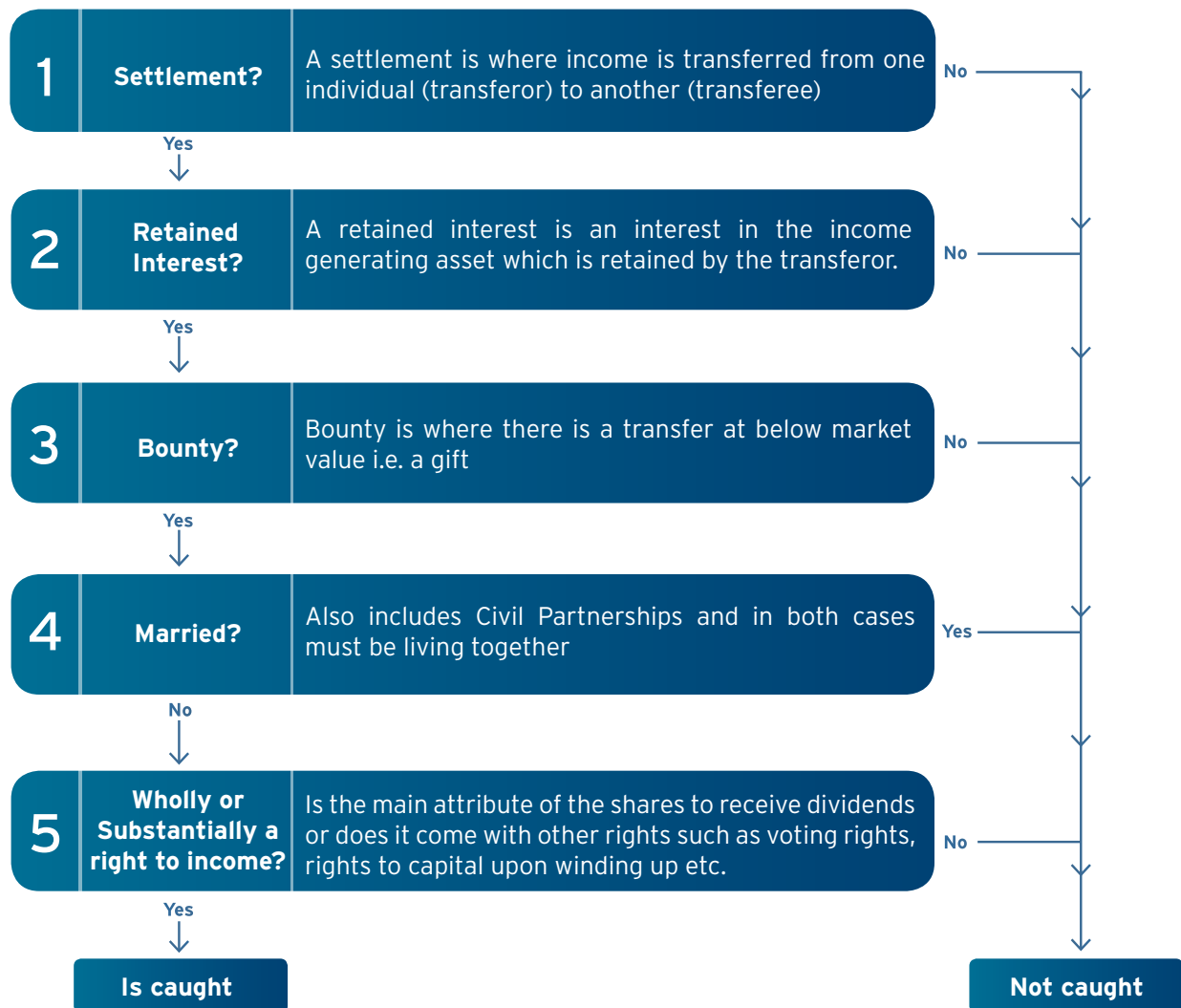


Settlements

Legislation

The Settlements Legislation, more commonly known as the Income Shifting Legislation or Section 660 is one of the most important pieces of tax legislation relevant to contractors (along with IR35).

This factsheet is designed to provide readers with a brief overview of the Settlements Legislation.



In order to be caught by the settlements legislation, there first has to be a settlement of your income on to somebody else, you must retain an interest in this and it has to be bountiful. If these three conditions are satisfied you will be caught by the legislation, however there is an exemption for outright gifts between spouses/civil partners where the gift is not wholly or substantially a right to income.

This is obviously a very brief overview of the settlements legislation, we have a full guide available on our website [here](#).

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