

Taxation of Termination Payments to be changed

For some time we have known that the Government has been considering changes to the tax treatment of payments made on termination payments.

HM Revenue & Customs has now published draft legislation for consultation which will continue until 5th October. In essence, the major changes are likely to be:-

- All payments in lieu of notice (PILON) will be taxable, even if they are non-contractual;
- Employers will be required to pay National Insurance on payment over £30,000;
- Any payments relating to injury to feelings will be subject to tax

Here is the [draft legislation](#).