



Change to taxation of termination payments dropped

Controversial changes to the taxation of termination payments have been dropped.

As we wrote about in our August [newsletter](#), following a consultation the government had produced draft legislation on the taxation of termination payments, which would have had the effect of making all payments in lieu of notice ('**PILONS**') subject to tax and NICs and making all payments above £30,000 subject to employer NICs.

The Finance Bill 2017, which would have housed these changes, is being fast-tracked through the legislative process in light of the early general election and as a result these changes have been left out.

Depending on the result of the election, we might see these changes reappear later in the year.