

## **Scheme for Retirement of Farmers (S.612)**

### **Part 19-07-09**

This document should be read in conjunction with section 612 of the Taxes Consolidation Act 1997

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## Introduction

[Section 612 of the Taxes Consolidation Act 1997](#) (“TCA 1997”) provides that any such capital sum or premium provided under the European Communities (Retirement of Farmers) Regulations 1974 is not to be included in the consideration for the disposal of the farm.

### 1.1 Background

The European Communities (Retirement of Farmers) Regulations 1974 were introduced to encourage older farmers to retire and provided that a farmer would get an annual pension and a capital sum (called a premium) in addition to the normal purchase price on the sale of the farm. **Section 612 TCA 1997** provides that any such capital sum or premium is not to be included in the consideration for the disposal of the farm. Thus, such capital sums or premia are exempt from Capital Gains Tax.