

Settlement sums payable net

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In *Barden v Commodities Research Unit*, Mr Barden was the former CEO of Commodities Research Unit. On his retirement, he was paid a sum under a settlement agreement. The agreement simply stated that Commodities Research were to 'pay £1,350,000' to Mr Barden. It fell silent on whether the sum would be paid net or gross. The High Court ruled that the sum should be paid net of tax (that is, after deduction of tax). To do so otherwise would be commercially absurd.

Although, in this case, the employer avoided the cost of their

(or their advisers) complacency, other businesses might not be so lucky. Care should be taken to ensure that the tax status of any payment made under a settlement agreement is clear.

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