



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 2

EMPLOYMENT INCOME: CHARGE TO TAX

CHAPTER 2

TAX ON EMPLOYMENT INCOME

6 Nature of charge to tax on employment income

- (1) The charge to tax on employment income under this Part is a charge to tax on—
- general earnings, and
 - specific employment income.

The meaning of “employment income”, “general earnings” and “specific employment income” is given in section 7.

- (2) The amount of general earnings or specific employment income which is charged to tax in a particular tax year is set out in section 9.
- (3) The rules in Chapters 4 and 5 of this Part, which are concerned with—
- the residence and domicile of an employee in a tax year,^{F1} ...
- [^{F2}(aa) whether section 809B, 809D or 809E of ITA 2007 (remittance basis) applies to an employee for a tax year, and]
- the tax year in which amounts are received or remitted to the United Kingdom, apply for the purposes of the charge to tax on general earnings but not that on specific employment income.

Changes to legislation: There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Chapter 2. (See end of Document for details)

- [^{F3}(3A) The rules in [^{F4}Chapter 5B], which are concerned with the matters mentioned in subsection (3)(a) to (b), apply for the purposes of the charge to tax on certain specific employment income arising under Part 7 (securities etc).]
- (4) The person who is liable for any tax charged on employment income is set out in section 13.
- (5) Employment income is not charged to tax under this Part if it is within the charge to tax under
- [^{F5}(a) Part 2 of ITTOIA 2005 (trading income) by virtue of section 15 (divers and diving supervisors), 16A (voluntary office-holders: compensation for lost profits), 16B (payments to company directors) or 16C (professionals in practice: incidental income from an office or employment) of that Act, or
- (b) Part 3 of CTA 2009 (trading income) by virtue of section 40A (payments to company directors) or 40B (professionals in practice: incidental income from an office or employment) of that Act.]

Textual Amendments

- F1** Word in s. 6(3)(a) omitted (with effect in accordance with Sch. 7 para. 81 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 3\(2\)](#)
- F2** S. 6(3)(aa) inserted (with effect in accordance with Sch. 7 para. 81 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 3\(2\)](#)
- F3** S. 6(3A) inserted (with effect in accordance with Sch. 7 para. 80 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 3\(3\)](#)
- F4** Words in s. 6(3A) substituted (with effect in accordance with Sch. 9 para. 48 of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [Sch. 9 paras. 3, 47](#)
- F5** Words in s. 6(5) substituted (6.4.2018) by [The Enactment of Extra-Statutory Concessions Order 2018 \(S.I. 2018/282\)](#), arts. 1, [4\(2\)](#)

7 Meaning of “employment income”, “general earnings” and “specific employment income”

- (1) This section gives the meaning for the purposes of the Tax Acts of “employment income”, “general earnings” and “specific employment income”.
- (2) “Employment income” means—
- earnings within Chapter 1 of Part 3,
 - any amount treated as earnings (see subsection (5)), or
 - any amount which counts as employment income (see subsection (6)).
- (3) “General earnings” means—
- earnings within Chapter 1 of Part 3, or
 - any amount treated as earnings (see subsection (5)),
excluding in each case any exempt income.
- (4) “Specific employment income” means any amount which counts as employment income (see subsection (6)), excluding any exempt income.
- (5) Subsection (2)(b) or (3)(b) refers to any amount treated as earnings under—

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- [^{F6}(a) Chapters 7 to [^{F7}10] of this Part (agency workers, workers under arrangements made by intermediaries, and workers providing services through managed service companies),]
 - (b) Chapters 2 to [^{F8}10] of Part 3 (the benefits code),
 - (c) Chapter 12 of Part 3 (payments treated as earnings),
 - [^{F9}(ca) section 402B (termination payments, and other benefits, that cannot benefit from section 403 threshold),] or
 - (d) section 262 of CAA 2001 (balancing charges to be given effect by treating them as earnings).
- (6) Subsection (2)(c) or (4) refers to any amount which counts as employment income by virtue of—
- (a) Part 6 (income which is not earnings or share-related),
 - (b) Part 7 [^{F10}(income and exemptions relating to securities and securities options)]
 - [^{F11}(ba) Part 7A (employment income provided through third parties), or]
 - (c) any other enactment.

Textual Amendments

- F6** S. 7(5)(a) substituted (retrospective to 6.4.2007) by [Finance Act 2007 \(c. 11\)](#), s. 25(2), [Sch. 3 para. 2](#)
- F7** Word in s. 7(5)(a) substituted (with effect in accordance with Sch. 1 para. 15 of the amending Act) by [Finance Act 2017 \(c. 10\)](#), [Sch. 1 para. 10](#)
- F8** Word in s. 7(5)(b) substituted (with effect in accordance with s. 13(4) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), [Sch. 1 para. 2](#)
- F9** S. 7(5)(ca) inserted (with effect in accordance with s. 5(10) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [s. 5\(2\)](#)
- F10** Words in s. 7(6)(b) substituted (16.4.2003 with effect in accordance with Sch. 22 para. 17(2) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 22 para. 17\(1\)](#)
- F11** S. 7(6)(ba) substituted for word (with effect in accordance with Sch. 2 paras. 52-59 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 2 para. 5](#)

8 Meaning of “exempt income”

For the purposes of the employment income Parts, an amount of employment income within paragraph (a), (b) or (c) of section 7(2) is “exempt income” if, as a result of any exemption in Part 4 or elsewhere, no liability to income tax arises in respect of it as such an amount.

Changes to legislation:

There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Chapter 2.