

## SCHEDULES

### SCHEDULE 6

Section 37

#### MINOR AMENDMENTS TO SCHEDULE E CHARGE

##### *Share options*

- 1 In section 135 of the Taxes Act 1988 (gains by directors and employees from share options), for subsection (5)(a) substitute—
- “(a) the amount so charged shall be deducted from any amount which is chargeable under subsection (1) above by reference to the gain realised by the exercise, assignment or release of that right; and”.

##### *Credit-tokens and non-cash vouchers*

- 2 In section 144 of the Taxes Act 1988 (supplementary provisions relating to vouchers and credit-tokens), after subsection (4) insert—
- “(4A) Section 142(1) has effect as if—
- (a) use of a credit-token by a relation of an employee were use of the token by the employee, and
- (b) money, goods or services obtained by a relation of an employee by use of a credit-token were money, goods or services obtained by the employee by the employee’s use of the token.”.
- 3 In each of the following provisions of the Taxes Act 1988—
- (a) section 157 (cars available for private use),
- (b) section 159AA (vans available for private use), and
- (c) section 159AC (heavier commercial vehicles available for private use),
- in subsection (3)(b) after “him” insert “or a relation of his (within the meaning of section 144)”.

##### *Taxation of benefit where income received free of tax*

- 4 In section 144A(1) of the Taxes Act 1988 (payments etc received free of tax), for the words from “income of the employee” to the end substitute “emoluments of the employment and charged to income tax under Schedule E for the tax year in which the date mentioned in paragraph (c) above falls”.

##### *Benefits in connection with termination of employment or change in duties or emoluments*

- 5 In section 148 of the Taxes Act 1988 (payments and other benefits in connection with termination of employment, etc), for subsection (2) substitute—
- “(2) For the purposes of this section “benefit” includes anything which, disregarding any exemption—
- (a) would be an emolument of the employment, or

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*Status: This is the original version (as it was originally enacted).*

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(b) would be chargeable to tax as an emolument of the employment, if received for the performance of the duties of the employment.

(2A) But subsection (1) does not apply—

- (a) to any payment or other benefit received in connection with any change in the duties of, or emoluments from, a person's employment to the extent that it is a benefit which, if received for the performance of the duties of the employment, would fall within paragraph 1(1) of Schedule 11A, or
- (b) to any payment or other benefit received in connection with the termination of a person's employment—
  - (i) that is a benefit which, if received for the performance of the duties of the employment, would fall within section 155(1) or (5), 155AA, 156A, 157(3), 159AA(3), 159AC(3), 200B(2)(b), 200E(2)(b), 588(1), 589A or 643(1), or
  - (ii) to the extent that it is a benefit which, if so received, would not be included in the emoluments of that person by virtue of section 200D(1) or 200J(2)."

*Priority between charges under sections 148 and 595 of the Taxes Act 1988*

- 6 In section 595 of the Taxes Act 1988 (charge to tax in respect of certain sums paid by employer etc), in subsection (1)(a) after "if" insert "(disregarding section 148) it is".