

*These notes refer to the Income Tax (Earnings and Pensions)
Act 2003 (c.1) which received Royal Assent on 6th March 2003*

INCOME TAX (EARNINGS AND PENSIONS) ACT 2003

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Glossary

Part 2: Employment income: charge to tax

Chapter 2: Tax on employment income

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

46. This section sets out the definitions of these terms introduced in the preceding section. It is new. See *Notes 2 and 3* in Annex 2.
47. Those Notes explain in full why it is necessary to distinguish between the two elements to the employment income charged in this Part. The first element is “general earnings”, which relate to “emoluments” brought into charge by paragraph 1 of section 19(1) of ICTA. The basis of assessment for “general earnings” depends on the residence, ordinary residence and domicile status of the employee. The second element, “specific employment income”, relates to the free-standing charges under Schedule E, chargeable under paragraph 5 of section 19(1) of ICTA. The basis of assessment for “specific employment income” is blind to issues of residence, ordinary residence and domicile.