

*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

Omitted material

Schedule 3: Approved Saye Option Schemes

Overview

Part 1: Introduction

Paragraph 3: Group schemes

3254. This paragraph is concerned with group schemes, and derives from paragraph 1(3) and (4) of Schedule 9 to ICTA.
3255. *Sub-paragraph (1)* provides that a SAYE option scheme established by a company that controls other companies (a “parent company”) may extend to all or any of those other companies. If the scheme does so extend, it is called a “group scheme”, as before (see *sub-paragraph (2)*).
3256. In *sub-paragraph (3)*, the term “constituent company” replaces the term “participating company”. This change, which reflects corresponding changes made in Schedules 2 and 4, has been made on the basis that these Schedules necessarily make numerous references to “participants” and to people who “participate”, so that the use of another term is advantageous.
3257. ESC B27 enables certain jointly owned companies to participate in group schemes. *Sub-paragraph (4)* is a signpost to paragraph 46, which gives statutory effect to that concession.
3258. In order to distinguish the meaning from more usual uses of “parent company”, the top company in a group scheme has the label “parent scheme company”.