

*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

Example 3

Ne = £5,000; Da = 183; De = 183; Smg = 0

Part 7: Employment income: share-related income and exemptions

The tax advantages

Section 489: Operation of tax advantages in connection with approved SIP

2018. This section is introductory, being concerned with the general scope of the tax advantages applying to an approved SIP. Those advantages do not apply to an individual who is not chargeable to tax under Part 2 in respect of the eligible employment (as defined) (see *subsection (2)*).
2019. This section is the first of two that derive from paragraph 77 of Schedule 8 to FA 2000 (the other being section 500).
2020. *Subsections (2) and (3)* are derived from paragraph 77(2) of Schedule 8 to FA 2000. The material in that sub-paragraph has been divided to make it easier to understand; and the definition of “the eligible employment” is new.