



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 3

EMPLOYMENT INCOME: EARNINGS AND BENEFITS ETC. TREATED AS EARNINGS

CHAPTER 2

TAXABLE BENEFITS: THE BENEFITS CODE

The benefits code

63 The benefits code

- (1) In the employment income Parts “the benefits code” means—
this Chapter,
Chapter 3 (expenses payments),
Chapter 4 (vouchers and credit-tokens),
Chapter 5 (living accommodation),
Chapter 6 (cars, vans and related benefits),
Chapter 7 (loans),
Chapter 8 (notional loans in respect of acquisitions of shares),
Chapter 9 (disposals of shares for more than market value),
Chapter 10 (residual liability to charge), and
Chapter 11 (exclusion of lower-paid employments from parts of benefits code).
- (2) If an employment is an excluded employment, the general effect of section 216(1) (provisions not applicable to lower-paid employments) is that only the following Chapters apply to the employment—
this Chapter,

Status: This is the original version (as it was originally enacted).

Chapter 4 (vouchers and credit-tokens),
 Chapter 5 (living accommodation), and
 Chapter 11 (exclusion of lower-paid employments from parts of benefits code).

- (3) Section 216(5) and (6) explain and restrict the effect of section 216(1).
- (4) In the benefits code “excluded employment” means an employment to which the exclusion in section 216(1) applies.

64 Relationship between earnings and benefits code

- (1) This section applies if, apart from this section, the same benefit would give rise to two amounts (“A” and “B”)—
 - (a) A being an amount of earnings as defined in Chapter 1 of this Part, and
 - (b) B being an amount to be treated as earnings under the benefits code.
- (2) In such a case—
 - (a) A constitutes earnings as defined in Chapter 1 of this Part, and
 - (b) the amount (if any) by which B exceeds A is to be treated as earnings under the benefits code.
- (3) This section does not apply in connection with living accommodation to which Chapter 5 of this Part applies.
- (4) In that case section 109 applies to determine the relationship between that Chapter and Chapter 1 of this Part.
- (5) This section does not apply if section 193 (notional loan where acquisition of shares made for less than market value) applies.
- (6) In that case sections 194 (amount of notional loan) and 196 (effects on other income tax charges) apply to determine the relationship between Chapters 1 and 8 of this Part.

65 Dispensations relating to benefits within provisions not applicable to lower-paid employment

- (1) This section applies for the purposes of the listed provisions where a person (“P”) supplies the Inland Revenue with a statement of the cases and circumstances in which—
 - (a) payments of a particular character are made to or for any employees, or
 - (b) benefits or facilities of a particular kind are provided for any employees,
 whether they are employees of P or some other person.
- (2) The “listed provisions” are the provisions listed in section 216(4) (provisions of the benefits code which do not apply to lower-paid employments).
- (3) If the Inland Revenue are satisfied that no additional tax is payable by virtue of the listed provisions by reference to the payments, benefits or facilities mentioned in the statement, they must give P a dispensation under this section.
- (4) A “dispensation” is a notice stating that the Inland Revenue agree that no additional tax is payable by virtue of the listed provisions by reference to the payments, benefits or facilities mentioned in the statement supplied by P.

- (5) If a dispensation is given under this section, nothing in the listed provisions applies to the payments, or the provision of the benefits or facilities, covered by the dispensation or otherwise has the effect of imposing any additional liability to tax in respect of them.
- (6) If in their opinion there is reason to do so, the Inland Revenue may revoke a dispensation by giving a further notice to P.
- (7) That notice may revoke the dispensation from—
 - (a) the date when the dispensation was given, or
 - (b) a later date specified in the notice.
- (8) If the notice revokes the dispensation from the date when the dispensation was given—
 - (a) any liability to tax that would have arisen if the dispensation had never been given is to be treated as having arisen, and
 - (b) P and the employees in question must make all the returns which they would have had to make if the dispensation had never been given.
- (9) If the notice revokes the dispensation from a later date—
 - (a) any liability to tax that would have arisen if the dispensation had ceased to have effect on that date is to be treated as having arisen, and
 - (b) P and the employees in question must make all the returns which they would have had to make if the dispensation had ceased to have effect on that date.