



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 3

EMPLOYMENT INCOME: EARNINGS AND BENEFITS ETC. TREATED AS EARNINGS

CHAPTER 5

TAXABLE BENEFITS: LIVING ACCOMMODATION

Exceptions

98 Accommodation provided by local authority

This Chapter does not apply to living accommodation provided for an employee if—

- (a) the employer is a local authority,
- (b) it is provided for the employee by the authority, and
- (c) the terms on which it is provided are no more favourable than those on which similar accommodation is provided by the authority for persons who are not their employees but whose circumstances are otherwise similar to those of the employee.

99 Accommodation provided for performance of duties

- (1) This Chapter does not apply to living accommodation provided for an employee if it is necessary for the proper performance of the employee's duties that the employee should reside in it.
- (2) This Chapter does not apply to living accommodation provided for an employee if—
 - (a) it is provided for the better performance of the duties of the employment, and

Status: This is the original version (as it was originally enacted).

- (b) the employment is one of the kinds of employment in the case of which it is customary for employers to provide living accommodation for employees.
- (3) But if the accommodation is provided by a company and the employee (“E”) is a director of the company or of an associated company, the exception in subsection (1) or (2) only applies if, in the case of each company of which E is a director—
- (a) E has no material interest in the company, and
 - (b) either—
 - (i) E’s employment is as a full-time working director, or
 - (ii) the company is non-profit-making or is established for charitable purposes only.
- (4) “Non-profit-making” means that the company does not carry on a trade and its functions do not consist wholly or mainly in the holding of investments or other property.
- (5) A company is “associated” with another if—
- (a) one has control of the other, or
 - (b) both are under the control of the same person.

100 Accommodation provided as result of security threat

This Chapter does not apply to living accommodation provided for an employee if—

- (a) there is a special threat to the security of the employee,
- (b) special security arrangements are in force, and
- (c) the employee resides in the accommodation as part of those arrangements.

101 Chevening House

This Chapter does not apply to living accommodation provided for an employee if the accommodation is—

- (a) Chevening House, or
- (b) any other premises held on the trusts of the trust instrument set out in the Schedule to the Chevening Estate Act 1959 (c. 49),

and the employee is a person nominated in accordance with those trusts.