

## SCHEDULES

### SCHEDULE 7

#### TRANSITIONALS AND SAVINGS

#### PART 4

#### EMPLOYMENT INCOME: EXEMPTIONS

##### *Incidental overnight expenses and benefits*

- 33 In determining whether section 240(1) or (2) or 268 applies—
- (a) in the case of a period of absence which began before 6th April 2003 and ends on or after that date, or
  - (b) in the case of a period of absence which begins on or after that date and incidentally to which goods, services or money are obtained using a non-cash voucher in relation to which section 141(6C) of ICTA applies,
- the question whether for the purposes of section 241 the exemption provisions total exceeds the permitted amount is to be determined as if this Act had applied at any relevant time before that date.
- 34 In determining—
- (a) whether section 141(6C) and (6D), 142(3C) and (3D), 155(1B) and (1C) or section 200A of ICTA applies in the case of a period of absence which began before 6th April 2003 and ends on or after that date, or
  - (b) whether section 141(6C) and (6D) applies in the case of a period of absence which begins on or after that date,
- the question whether the authorised maximum (as defined in section 200A(4) of ICTA) is exceeded in relation to the absence is to be determined as if in section 200A(5) after the words “exceeded by” there were inserted the words “the aggregate of the exemption provisions total in respect of the period (as defined in section 241 of ITEPA 2003) and”.

##### *Removal benefits and expenses*

- 35 (1) Section 287 (limit on exemption for removal benefits and expenses) applies with the modification in sub-paragraph (2) where—
- (a) a benefit is provided on or after 6th April 2003 in connection with a change of an employee’s residence, or
  - (b) expenses are incurred on or after that day in connection with such a change, and any such benefits have been provided or expenses incurred before that date in connection with that change.
- (2) In subsection (2) before paragraph (a) insert—

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*Status: This is the original version (as it was originally enacted).*

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“(aa) the total value to the employee immediately before 6th April 2003, as defined in paragraph 24(2) of Schedule 11A to ICTA.”.

- 36 A direction under paragraph 6(2) of Schedule 11A to ICTA (directions as to meaning of “the relevant day”) by virtue of which a day on or after 6th April 2003 was directed to be the relevant day in relation to a change of residence—
- (a) is not affected by any repeals made by this Act, but
  - (b) continues in force as respects any benefit provided or expenses incurred on or after that date as if it were a direction given under section 274(2) (directions as to the limitation day), directing that day to be the limitation day.

#### *Retraining courses*

- 37 (1) The repeal of sections 588(5)(a) and 589(3) and (4) of ICTA does not affect—
- (a) the operation of section 588(5) of ICTA by virtue of paragraph (a) of that provision where liability for a tax year before 2003-04 is determined,
  - (b) the operation of section 588(5) of ICTA by virtue of paragraph (b) of that provision where liability is determined on the assumption that the person undertaking the course fell within section 588(1) of ICTA in such a tax year, or
  - (c) the operation of section 588(6) and (7) of ICTA as they apply by virtue of sub-paragraph (2).
- (2) In any case where there has been such a determination as is mentioned in sub-paragraph (1)(a) or (b), section 588(6) and (7) apply as if section 588(6) referred to a failure to comply with any provision of section 589(3) or (4) of ICTA instead of a failure to meet such a condition as is mentioned in section 312(1)(b)(i) or (ii) of this Act.

#### *Suggestion awards*

- 38 (1) This paragraph applies for the purpose of determining the extent, if any, to which section 321(2) (exemption of suggestion awards) applies in respect of a financial benefit award for a suggestion (“the later award”) in a case where such an award (“the earlier award”) has been made for the same suggestion on a previous occasion or occasions before the tax year 2003-04.
- (2) For the purposes of the application of section 322(3) in relation to the later award, “the residue of the suggestion maximum” means the suggestion maximum, as defined in section 322(4), less the aggregate of—
- (a) the total of the amounts exempted from income tax under section 321 in respect of financial benefit awards for the same suggestion made on previous occasions, and
  - (b) the total of the earlier awards.