



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 4

EMPLOYMENT INCOME: EXEMPTIONS

CHAPTER 1

EXEMPTIONS: GENERAL

227 Scope of Part 4

- (1) This Part contains—
 - (a) earnings-only exemptions, and
 - (b) employment income exemptions.
- (2) In this Act “earnings-only exemption” means an exemption from income tax which—
 - (a) prevents liability to tax arising in respect of earnings, either by virtue of one or more particular provisions (such as a Chapter of the benefits code) or at all, and
 - (b) does not prevent liability to tax arising in respect of other employment income.
- (3) In this Act “employment income exemption” means an exemption from income tax which prevents liability to tax arising in respect of employment income of any kind at all.
- (4) The following provisions in Part 7 also confer exemption from liability to income tax in respect of earnings—
 - (a) section 426 (conditional interests in shares: no charge in respect of acquisition of employee’s interest in certain circumstances),
 - (b) section 474 (share options: no charge in respect of receipt of shorter- term option),

Status: This is the original version (as it was originally enacted).

- (c) sections 489 to 493 and sections 496 to 499 (approved share incentive plans),
- (d) section 518 (approved SAYE option schemes: no charge in respect of receipt of option),
- (e) section 519 (approved SAYE option schemes: no charge in respect of exercise of option),
- (f) section 523 (approved CSOP schemes: no charge in respect of receipt of option),
- (g) section 524 (approved CSOP schemes: no charge in respect of exercise of option),
- (h) section 528 (enterprise management incentives: no charge on receipt of qualifying option),
- (i) section 542 (priority share allocations: exemption where offer made to public and employees), and
- (j) section 544 (priority share allocations: exemption where different offers made to public and employees).