



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 4

EMPLOYMENT INCOME: EXEMPTIONS

CHAPTER 5

EXEMPTIONS: RECREATIONAL BENEFITS

Annual parties and functions

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- (1) This section applies to an annual party or similar annual function provided for an employer's employees and available to them generally or available generally to those at a particular location.
- (2) Where in the tax year only one annual party or similar annual function to which this section applies is provided for the employer's employees, or the employees in question, no liability to income tax arises in respect of its provision if the cost per head of the party or function does not exceed £75.
- (3) Where in the tax year two or more such parties or functions are so provided, no liability to income tax arises in respect of the provision of one or more of them ("the exempt party or parties") if the cost per head of the exempt party or parties does not exceed £75 or £75 in aggregate.
- (4) For the purposes of this section, the cost per head of a party or function is the total cost of providing—
 - (a) the party or function, and

Status: This is the original version (as it was originally enacted).

- (b) any transport or accommodation incidentally provided for persons attending it (whether or not they are the employer's employees),
divided by the number of those persons.
- (5) That total cost includes any value added tax on the expenses incurred in providing the party, function, transport or accommodation.