



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 4

EMPLOYMENT INCOME: EXEMPTIONS

[^{F1}CHAPTER 7A

EXEMPTIONS: AMOUNTS WHICH WOULD OTHERWISE BE DEDUCTIBLE

[^{F1}289E Anti-avoidance

- (1) This section applies if conditions A to C are met.
- (2) Condition A is that, pursuant to arrangements, an amount—
 - (a) is paid or reimbursed to an employee in respect of expenses, or
 - (b) is treated as earnings of an employee as a result of the provision of a benefit, which, in the absence of this section, would have been exempt from income tax.
- (3) Condition B is that, in the absence of those arrangements, the employee would have received a greater amount of general earnings or specific employment income in respect of which—
 - (a) tax would have been chargeable, or
 - (b) national insurance contributions would have been payable (whether by the employee or another person).
- (4) Condition C is that the main purpose, or one of the main purposes, of the arrangements is the avoidance of tax or national insurance contributions.
- (5) If this section applies—
 - (a) the exemption conferred by section 289A does not apply in respect of the amount paid or reimbursed as mentioned in subsection (2)(a), and

Changes to legislation: There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 289E. (See end of Document for details)

- (b) the exemption conferred by section 289D does not apply in respect of the amount treated as earnings as mentioned in subsection (2)(b).
- (6) In this section “arrangements” includes any scheme, transaction or series of transactions, agreement or understanding, whether or not legally enforceable.]

Textual Amendments

- F1** Pt. 4 Ch. 7A inserted (with effect in accordance with s. 11(2) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), [s. 11\(1\)](#)

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