



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 4

EMPLOYMENT INCOME: EXEMPTIONS

CHAPTER 10

EXEMPTIONS: TERMINATION OF EMPLOYMENT

Outplacement benefits

310 Counselling and other outplacement services

- (1) No liability to income tax arises in respect of—
 - (a) the provision of services to a person in connection with the cessation of the person's employment, or
 - (b) the payment or reimbursement of—
 - (i) fees for such provision, or
 - (ii) travelling expenses incurred in connection with such provision, if conditions A to D and, in the case of travel expenses, condition E are met.
- (2) Condition A is that the only or main purpose of the provision of the services is to enable the person to do either or both of the following—
 - (a) to adjust to the cessation of the employment, or
 - (b) to find other gainful employment (including self-employment).
- (3) Condition B is that the services consist wholly of any or all of the following—
 - (a) giving advice and guidance,
 - (b) imparting or improving skills,

Status: This is the original version (as it was originally enacted).

- (c) providing or making available the use of office equipment or similar facilities.
- (4) Condition C is that the person has been employed full-time in the employment which is ceasing throughout the period of 2 years ending—
 - (a) at the time when the services begin to be provided, or
 - (b) if earlier, at the time when the employment ceases.
- (5) Condition D is that the opportunity to receive the services, on similar terms as to payment or reimbursement of any expenses incurred in connection with their provision, is available—
 - (a) generally to employees or former employees of the person’s employer in that employment, or
 - (b) to a particular class or classes of them.
- (6) Condition E is that the travel expenses are expenses—
 - (a) in respect of which, on the assumptions in subsection (7), mileage allowance relief under Chapter 2 of this Part would be available if no mileage allowance payments had been made, or
 - (b) which, on those assumptions, would be deductible under Part 5.
- (7) The assumptions are—
 - (a) that receiving the services is one of the duties of the employee’s employment,
 - (b) that the employee incurs and pays the expenses, and
 - (c) if the employment has in fact ceased, that it continues.
- (8) In this section “mileage allowance payments” has the meaning given by section 229(2).