Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 6

EMPLOYMENT INCOME: INCOME WHICH IS NOT EARNINGS OR SHARE-RELATED

CHAPTER 2

BENEFITS FROM [F1 EMPLOYER-FINANCED RETIREMENT BENEFITS]

Benefits treated as employment income

[F1 395C Meaning of "foreign service" in section 395B

(1) In section 395B "foreign service" means service to which subsection (2), (3), (6) or (8) applies.

(2) This subsection applies to service in or after the tax year 2013–14—

(a) to the extent that it consists of duties performed outside the United Kingdom in respect of which earnings would not be relevant earnings, or

(b) if a deduction equal to the whole amount of the earnings from the employment was or would have been allowable under Chapter 6 of Part 5 (deductions from seafarers' earnings).

(3) This subsection applies to service in or after the tax year 2003–04 but before the tax year 2013–14 such that—

(a) any earnings from the employment would not be relevant earnings, or

(b) a deduction equal to the whole amount of the earnings from the employment was or would have been allowable under Chapter 6 of Part 5 (deductions from seafarers' earnings).

(4) In subsection (2) "relevant earnings" means earnings for a tax year that are earnings to which section 15 applies and to which that section would apply even if the employee made a claim under section 809B of ITA 2007 (claim for remittance basis) for that year.

(5) In subsection (3) "relevant earnings" means—

(a) for service in or after the tax year 2008–09, earnings—

(i) which are for a tax year in which the employee is ordinarily UK resident,

(ii) to which section 15 applies, and

(iii) to which that section would apply even if the employee made a claim under section 809B of ITA 2007 (claim for remittance basis) for that year, and

(b) for service before the tax year 2008–09, general earnings to which section 15 or 21 as originally enacted applies.

(6) This subsection applies to service before the tax year 2003–04 and after the tax year 1973–74 such that—

(a) the emoluments from the employment were not chargeable under Case I of Schedule E, or would not have been so chargeable had there been any, or

(b) a deduction equal to the whole amount of the emoluments from the employment was or would have been allowable under a foreign earnings deduction provision.

(7) In subsection (6) "foreign earnings deduction provision" means—

(a) paragraph 1 of Schedule 2 to FA 1974,

(b) paragraph 1 of Schedule 7 to FA 1977, or

(c) section 192A or 193(1) of ICTA.

(8) This subsection applies to service before the tax year 1974-75 such that tax was not chargeable in respect of the emoluments of the employment—

(a) in the tax year 1956–57 or later, under Case I of Schedule E, or

(b) in earlier tax years, under Schedule E,

or it would not have been so chargeable had there been any such emoluments.**]**

Textual Amendments

F1 S. 395C inserted (27.4.2017) by Finance Act 2017 (c. 10), **Sch. 3 para. 6**

Changes to legislation:
There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 395C.