



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 NON-APPROVED PENSION SCHEMES

Valuation of benefits etc.

399 Employment-related loans: interest treated as paid

- (1) This section applies if—
 - (a) an amount consisting of, or including, an amount representing the benefit of a loan (“a taxable amount”) counts as employment income of an individual in a tax year under section 394(1), or
 - (b) the administrator of a scheme is charged to tax on a taxable amount under Case VI of Schedule D under section 394(2).
- (2) The individual or the administrator is to be treated for all purposes of the Tax Acts (other than this Chapter) as having paid interest on the loan in the tax year equal to the amount representing the cash equivalent of the loan.
- (3) The interest is to be treated—
 - (a) as accruing during the period in the tax year during which the loan is outstanding, and
 - (b) as paid at the end of the period.
- (4) The interest is not to be treated—

Status: *This is the original version (as it was originally enacted).*

- (a) as income of the person making the loan, or
- (b) as relevant loan interest to which section 369 of ICTA applies (mortgage interest payable under deduction of tax).