



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 6

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

CHAPTER 3

PAYMENTS AND BENEFITS ON TERMINATION OF EMPLOYMENT ETC.

Payments and benefits treated as employment income

[^{F1}402B Termination awards not benefiting from threshold to be treated as earnings

- (1) The amount of a termination award to which this section applies—
 - [^{F2}(a)] is treated as an amount of earnings of the employee, or former employee, from the employment [^{F3}, but
 - (b) is not capable of being an amount to which section 27 applies by virtue of subsection 1(a) or (b) of that section (UK-based taxable earnings for year when employee not resident in UK).]
- (2) See also section 7(3)(b) and (5)(ca) (which cause amounts treated as earnings under this section to be included in general earnings).
- (3) Section 403(3) (when benefits are received) does not apply in relation to payments or other benefits to which this section applies.]

Textual Amendments

- F1** Ss. 402A-402E inserted (with effect in accordance with s. 5(10) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), s. 5\(3\)](#)

Changes to legislation: *There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 402B. (See end of Document for details)*

- F2** Words in s. 402B(1) renumbered as s. 402B(1)(a) (with effect in accordance with s. 22(8) of the amending Act) by [Finance Act 2021 \(c. 26\), s. 22\(6\)\(a\)](#)
- F3** S. 402B(1)(b) and word inserted (with effect in accordance with s. 22(8) of the amending Act) by [Finance Act 2021 \(c. 26\), s. 22\(6\)\(b\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 402B.