



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

404 How the £30,000 threshold applies

- (1) For the purpose of the £30,000 threshold in section 403(4) and (5), the payments and other benefits provided in respect of an employee or former employee which are to be aggregated are those provided—
 - (a) in respect of the same employment,
 - (b) in respect of different employments with the same employer, and
 - (c) in respect of employments with employers who are associated.
- (2) For this purpose employers are “associated” if on a termination or change date—
 - (a) one of them is under the control of the other, or
 - (b) one of them is under the control of a third person who on that termination or change date or another such date controls or is under the control of the other.
- (3) In subsection (2)—
 - (a) references to an employer, or to a person controlling or controlled by an employer, include the successors of the employer or person, and

Status: This is the original version (as it was originally enacted).

- (b) “termination or change date” means a date on which a termination or change occurs in connection with which a payment or other benefit to which this Chapter applies is received in respect of the employee or former employee.
- (4) If payments and other benefits are received in different tax years, the £30,000 is set against the amount of payments and other benefits received in earlier years before those received in later years.
- (5) If more than one payment or other benefit is received in a tax year in which the threshold is exceeded—
 - (a) the £30,000 (or the balance of it) is set against the amounts of cash benefits as they are received, and
 - (b) any balance at the end of the year is set against the aggregate amount of non-cash benefits received in the year.