



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.

Exceptions and reductions

409 Exception for payments and benefits in respect of employee liabilities and indemnity insurance

- (1) This Chapter does not apply to a payment or other benefit received by an individual if or to the extent that—
 - (a) in the case of a cash benefit, it is provided for meeting the cost of a deductible amount, or
 - (b) in the case of a non-cash benefit, it is or represents a benefit equivalent to the cost of paying a deductible amount.
- (2) For the purposes of this section “deductible amount” means an amount which meets conditions A to C.
- (3) Condition A is that the amount is paid by the individual.
- (4) Condition B is that a deduction for the amount would have been allowed under section 346 from earnings from the relevant employment, if the individual still held the employment when the amount was paid.
- (5) Condition C is that the amount is paid at a time which falls within the run-off period.

Status: *This is the original version (as it was originally enacted).*

(6) In this section and section 410—

“relevant employment” means the employment mentioned in section 401(1);

“run-off period” means the period which—

- (a) starts with the day on which the relevant employment terminated, and
- (b) ends with the last day of the sixth tax year following the tax year in which the period started.