



# Income Tax (Earnings and Pensions) Act 2003

## 2003 CHAPTER 1

### PART 2

#### EMPLOYMENT INCOME: CHARGE TO TAX

### CHAPTER 8

#### [<sup>F1</sup>WORKERS' SERVICES PROVIDED THROUGH INTERMEDIARIES TO SMALL CLIENTS]

#### *Application of this Chapter*

#### **50 Worker treated as receiving earnings from employment**

- (1) If, in the case of an engagement to which this Chapter applies, in any tax year—
- [<sup>F1</sup>(za) the client qualifies as small or does not have a UK connection,]
  - (a) the conditions specified in section 51, 52 or 53 are met in relation to the intermediary, and
  - (b) the worker, or an associate of the worker—
    - (i) receives from the intermediary, directly or indirectly, a payment or benefit that is not employment income, or
    - (ii) has rights which entitle, or which in any circumstances would entitle, the worker or associate to receive from the intermediary, directly or indirectly, any such payment or benefit,the intermediary is treated as making to the worker, and the worker is treated as receiving, in that year a payment which is to be treated as earnings from an employment (“the deemed employment payment”).
- (2) A single payment is treated as made in respect of all engagements in relation to which the intermediary is treated as making a payment to the worker in the tax year.

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*Changes to legislation: There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 50. (See end of Document for details)*

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- (3) The deemed employment payment is treated as made at the end of the tax year, unless section 57 applies (earlier date of deemed payment in certain cases).
- (4) In this Chapter “the relevant engagements”, in relation to a deemed employment payment, means the engagements mentioned in subsection (2).
- [<sup>F2</sup>(5) The condition in paragraph (za) of subsection (1) is to be ignored if—
- (a) the client concerned is an individual, and
  - (b) the services concerned are performed otherwise than for the purposes of the client's business.
- (6) For the purposes of paragraph (za) of subsection (1) the client is to be treated as not qualifying as small for the tax year concerned if the client is treated as medium or large for that tax year by reason of section 61TA(3)(a).]

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**Textual Amendments**

- F1** S. 50(1)(za) inserted (6.4.2021 for the tax year 2021-22 and subsequent tax years) by [Finance Act 2020 \(c. 14\)](#), [Sch. 1 paras. 4\(2\), 24](#) (with [Sch. 1 paras. 30-34](#))
- F2** S. 50(5)(6) inserted (6.4.2021 for the tax year 2021-22 and subsequent tax years) by [Finance Act 2020 \(c. 14\)](#), [Sch. 1 paras. 4\(3\), 24](#) (with [Sch. 1 paras. 30-34](#))

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 50.