



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 3

EMPLOYMENT INCOME: EARNINGS AND BENEFITS ETC. TREATED AS EARNINGS

CHAPTER 4

TAXABLE BENEFITS: VOUCHERS AND CREDIT-TOKENS

Benefit of non-cash voucher treated as earnings

[^{F1}87A Benefit of non-cash voucher treated as earnings: optional remuneration arrangements

- (1) Where a non-cash voucher to which this Chapter applies is provided pursuant to optional remuneration arrangements—
 - (a) the relevant amount is to be treated as earnings from the employment for the tax year in which the voucher is received by the employee, and
 - (b) section 87(1) does not apply.
- (2) To find the relevant amount, first determine which (if any) is the greater of—
 - (a) the cost of provision (see section 87(3)), and
 - (b) the amount foregone with respect to the benefit of the voucher (see section 69B).
- (3) If the cost of provision is greater than or equal to the amount foregone, the “relevant amount” is the cash equivalent of the benefit of the non-cash voucher (see section 87(2)).
- (4) Otherwise, the “relevant amount” is the difference between—

Changes to legislation: *There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 87A. (See end of Document for details)*

- (a) the amount foregone, and
 - (b) any part of the cost of provision that is made good by the employee, to the person incurring it, on or before 6 July following the relevant tax year.
- (5) If the voucher is a non-cash voucher other than a cheque voucher, the relevant tax year is—
- (a) the tax year in which the cost of provision is incurred, or
 - (b) if later, the tax year in which the employee receives the voucher.
- (6) If the voucher is a cheque voucher, the relevant tax year is the tax year in which the voucher is handed over in exchange for money, goods or services.
- (7) For the purposes of subsections (2) and (3), assume that the cost of provision is zero if the condition in subsection (8) is met.
- (8) The condition is that the non-cash voucher would be exempt from income tax but for section 228A (exclusion of certain exemptions).]

Textual Amendments

- F1** [S. 87A](#) inserted (with effect in accordance with Sch. 2 para. 62 of the amending Act) by [Finance Act 2017 \(c. 10\)](#), [Sch. 2 para. 4](#)

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