
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2017, Cross Heading: Exemptions. (See end of Document for details)

SCHEDULES

SCHEDULE 2

OPTIONAL REMUNERATION ARRANGEMENTS

Exemptions

- 49 In Part 4 of ITEPA 2003 (employment income: exemptions), after section 228 insert—

“228A General exclusion from exemptions: optional remuneration arrangements

- (1) A relevant exemption does not apply (whether to prevent liability to income tax from arising or to reduce liability to income tax) in respect of a benefit or facility so far as the benefit or facility is provided pursuant to optional remuneration arrangements.
- (2) For the purposes of subsection (1) it does not matter whether the relevant exemption would (apart from that subsection) have effect as an employment income exemption or an earnings-only exemption.
- (3) For the purposes of this section an exemption conferred by this Part is a “relevant exemption” unless it is—
 - (a) a special case exemption (see subsection (4)), or
 - (b) an excluded exemption (see subsection (5)).
- (4) “Special case exemption” means an exemption conferred by any of the following provisions—
 - (a) section 289A (exemption for paid or reimbursed expenses);
 - (b) section 289D (exemption for other benefits);
 - (c) section 308B (independent advice in respect of conversions and transfers of pension scheme benefits);
 - (d) section 312A (limited exemption for qualifying bonus payments);
 - (e) section 317 (subsidised meals);
 - (f) section 320C (recommended medical treatment);
 - (g) section 323A (trivial benefits provided by employers).
- (5) “Excluded exemption” means an exemption conferred by any of the following provisions—
 - (a) section 239 (payments and benefits connected with taxable cars and vans and exempt heavy goods vehicles);
 - (b) section 244 (cycles and cyclist's safety equipment);
 - (c) section 266(2)(c) (non-cash voucher regarding entitlement to exemption within section 244);
 - (d) section 270A (limited exemption for qualifying childcare vouchers);

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- (e) section 307 (death or retirement provision), so far as relating to provision made for retirement benefits;
 - (f) section 308 (exemption of contribution to registered pension scheme);
 - (g) section 308A (exemption of contributions to overseas pension scheme);
 - (h) section 308C (provision of pensions advice);
 - (i) section 309 (limited exemptions for statutory redundancy payments);
 - (j) section 310 (counselling and other outplacement services);
 - (k) section 311 (retraining courses);
 - (l) section 318 (childcare: exemption for employer-provided care);
 - (m) section 318A (childcare: limited exemption for other care).
- (6) In subsection (5) “retirement benefit” has the meaning that would be given by subsection (2) of section 307 if “or death” were omitted in both places where it occurs in that subsection.
- (7) In this section “benefit or facility” includes anything which constitutes employment income or in respect of which employment income is treated as arising to the employee (regardless of its form and the manner of providing it).
- (8) In this section “optional remuneration arrangements” has the same meaning as in the benefits code (see section 69A).
- (9) The Treasury may by order amend subsections (4) and (5) by adding or removing an exemption conferred by Part 4.”

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