



# Finance (No. 2) Act 2017

## 2017 CHAPTER 32

### PART 1

#### DIRECT TAXES

##### *Income tax: employment and pensions*

### 3 Pensions advice

(1) In Chapter 9 of Part 4 of ITEPA 2003, after section 308B insert—

**“308C Provision of pensions advice: limited exemption**

- (1) No liability to income tax arises in respect of—
- (a) the provision of relevant pensions advice to an employee or former or prospective employee, or
  - (b) the payment or reimbursement of costs incurred, by or in respect of an employee or former or prospective employee, in obtaining relevant pensions advice,
- if Condition A or B is met.
- (2) But subsection (1) does not apply in relation to a person in a tax year so far as the value of the exemption in the person's case in that year exceeds £500.
- (3) The “value of the exemption”, in relation to a person and a tax year, is the amount exempted by subsection (1) from income tax in the person's case in that year, disregarding subsection (2) for this purpose.
- (4) If in a tax year there is in relation to an individual more than one person who is an employer or former employer, subsections (1) to (3) apply in relation to the individual as employee or former or prospective employee of any one of those persons separately from their application in relation to the individual as employee or former or prospective employee of any other of those persons.

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*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance (No. 2) Act 2017. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

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- (5) “Relevant pensions advice”, in relation to a person, means information, or advice, in connection with—
  - (a) the person's pension arrangements, or
  - (b) the use of the person's pension funds.
- (6) Condition A is that the relevant pensions advice, or payment or reimbursement, is provided under a scheme that is open—
  - (a) to the employer's employees generally, or
  - (b) generally to the employer's employees at a particular location.
- (7) Condition B is that the relevant pensions advice, or payment or reimbursement, is provided under a scheme that is open generally to the employer's employees, or generally to those of the employer's employees at a particular location, who—
  - (a) have reached the minimum qualifying age, or
  - (b) meet the ill-health condition.
- (8) The “minimum qualifying age”, in relation to an employee, means the employee's relevant pension age less 5 years.
- (9) “Relevant pension age”, in relation to an employee, means—
  - (a) where paragraph 22 or 23 of Schedule 36 to FA 2004 applies in relation to the employee and a registered pension scheme of which the employee is a member, the employee's protected pension age (see paragraph 22(8) and 23(8) of Schedule 36 to FA 2004), or
  - (b) in any other case, the employee's normal minimum pension age, as defined by section 279(1) of FA 2004.
- (10) The “ill-health condition” is met by an employee if the employer is satisfied, on the basis of evidence provided by a registered medical practitioner, that the employee is (and will continue to be) incapable of carrying on his or her occupation because of physical or mental impairment.”
- (2) In section 228 of ITEPA 2003 (effect of exemptions on liability under provisions outside Part 2 of ITEPA 2003), in subsection (2), after paragraph (da) insert—
  - “(db) section 308C (provision of pensions advice),”.
- (3) Regulation 5 of the Income Tax (Exemption of Minor Benefits) Regulations 2002 (S.I. 2002/205) (exemption in respect of the provision of pensions advice) is revoked.
- (4) In regulation 2 of the Income Tax (Exemption of Minor Benefits) (Amendment) Regulations 2004 (S.I. 2004/3087) omit the inserted regulation 5.
- (5) The amendments made by this section have effect for the tax year 2017-18 and subsequent tax years.

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. A1 para. 8(6)(b) omitted by [2022 c. 3 Sch. 1 para. 32\(b\)](#)
- Sch. A1 para. 8(2) substituted by [2022 c. 3 Sch. 1 para. 32\(a\)](#)