

2002 No. 1596

INCOME TAX

**The Income Tax (Benefits in Kind) (Exemption for
Employment Costs resulting from Disability)
Regulations 2002**

<i>Made</i> - - - - -	<i>18th June 2002</i>
<i>Laid before the House of Commons</i>	<i>18th June 2002</i>
<i>Coming into force</i> - - - - -	<i>9th July 2002</i>

The Treasury, in exercise of the powers conferred on them by section 155ZB of the Income and Corporation Taxes Act 1988(a), hereby make the following Regulations:

1. These Regulations may be cited as the Income Tax (Benefits in Kind) (Exemption for Employment Costs resulting from Disability) Regulations 2002 and shall come into force on 9th July 2002.

2. In these Regulations—

- (a) “the Access to Work programme” means the programme known by that name and provided in pursuance of arrangements made by or on behalf of the Secretary of State under section 2 of the Employment and Training Act 1973(b), in Scotland, made under section 2(3) of the Enterprise and New Towns (Scotland) Act 1990(c) or, in Northern Ireland, made by or on behalf of the Department of Employment and Learning under section 1 of the Employment and Training (Northern Ireland) Act 1950(d); and
- (b) any reference to a section, without more, is to that section of the Income and Corporation Taxes Act 1988.

3. There shall be exempted from section 154(e) any benefit which satisfies each of the following conditions.

Condition 1

The benefit is provided to a disabled employee.

Condition 2

The main purpose of providing the benefit is to enable the employee to perform the duties of his employment.

(a) 1988 c. 1; section 155ZB was inserted by paragraph 3(1) of Schedule 10 to the Finance Act 2000 (c. 17).

(b) 1973 c. 50; section 2 was substituted by section 25(1) of the Employment Act 1988 (c. 19).

(c) 1990 c. 35.

(d) 1950 c. 29 (N.I.); section 1 was amended by Article 3 of the Employment and Training (Amendment) Order 1988 (S.I. 1988/1087 (N.I. 10)).

(e) Section 154 was amended by section 53(2) of the Finance Act 1989 (c. 26), section 21 of the Finance Act 1990 (c. 29), Paragraphs 1 and 2 of Schedule 4 to the Finance Act 1993 (c. 34), sections 44 and 45 of the Finance Act 1999 (c. 16) and paragraphs 2 and 3 of Schedule 10 to the Finance Act 2000.

Condition 3

The benefit consists in the provision of a hearing aid or other equipment, services or facilities, excepting any excluded benefit within the meaning in section 155ZA(a) and Regulations made under that section.

Condition 4

The benefit is provided under, or within the terms of the provisions of, the Disability Discrimination Act 1995(b), the Access to Work programme, or any other statutory provision or arrangements, whether or not the employer has any legal duty to provide the benefit.

Condition 5

The benefit is made available to the employer's employees generally on similar terms (which include terms identical to Conditions 1 to 4).

John Heppell

Nick Ainger

18th June 2002

Two of the Lords Commissioners of Her Majesty's Treasury

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- (a) Section 155ZA was inserted by paragraph 2(1) of Schedule 10 to the Finance Act 2000. No Regulations have so far been made under that section.
- (b) 1995 c. 50.

EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 155ZB of the Income and Corporation Taxes Act 1988 gives the Treasury power to exempt from section 154 of that Act (general charging provision under Schedule E for benefits in kind for Directors and those earning £8,500 or more) such minor benefits as are specified in Regulations, and are made available to the employer's employees generally on similar terms.

These Regulations exempt hearing aids and other equipment, services or facilities made available to disabled employees, to enable them to fulfil the duties of their employment.

The provisions of the Access to Work programme can be obtained—

- in Great Britain, from Access to Work, Jobcentre Plus Head Office, Disability Services and Financial Support Division, 3rd Floor, Rockingham House, 123 West Street, Sheffield S1 4ER;
- in Northern Ireland, from the Training and Employment Agency, 5th Floor, Gloucester House, 59-63 Chichester Street, Belfast BT1 4RA.

£1.50

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