

*These notes refer to the Income Tax (Earnings and Pensions)
Act 2003 (c.1) which received Royal Assent on 6th March 2003*

INCOME TAX (EARNINGS AND PENSIONS) ACT 2003

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Example 3

Ne = £5,000; Da = 183; De = 183; Smg = 0

Part 7: Employment income: share-related income and exemptions

PAYE implications

Chapter 9: Enterprise management incentives

Overview

Section 529: Scope of tax advantages: option must be exercised within 10 years

2150. This section explains that the tax advantages described in the following sections only apply if the option is exercised within ten years of it being granted. If the option being exercised is a replacement for a previous option, it must be exercised within ten years from when the original option was granted in order to qualify for the tax advantages. This derives from paragraph 42 of Schedule 14 to FA 2000.
2151. The words “the date of the” have been added before “grant” in subsection (2)(b) to clarify the effect of the rule in paragraph 42 which provides for a ten year period exclusive of the date of the grant.