



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 11

PAY AS YOU EARN

CHAPTER 6

MISCELLANEOUS AND SUPPLEMENTAL

708 PAYE repayments

- (1) PAYE regulations may provide that no repayment of income tax may be made under such regulations to a person—
 - (a) during a period for which the person has claimed jobseeker's allowance, or
 - (b) at a time when the person is prevented by the trade disputes provisions from being entitled to a jobseeker's allowance, or would be so prevented if the person otherwise met the conditions for entitlement.
- (2) Different provision may be made with respect to—
 - (a) persons within subsection (1)(a), and
 - (b) persons within subsection (1)(b).
- (3) "The trade disputes provisions" means—
 - (a) section 14 of JSA 1995, or
 - (b) Article 16 of JS(NI)O 1995.

709 Additional provision for certain assessments

- (1) This section applies if—

Status: Point in time view as at 01/04/2010.

Changes to legislation: There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Chapter 6. (See end of Document for details)

- (a) an assessment to income tax is made as respects relevant income (with or without other income), and
 - (b) the assessment is made after the end of the period of 12 months following the tax year for which it is made.
- (2) In so far as it relates to relevant income, the assessment is to be made in accordance with the practice generally prevailing at the end of that period.
- (3) “Relevant income” means income which—
- (a) has been taken into account in the making of deductions or repayments of tax under PAYE regulations, and
 - (b) was received not less than 12 months before the beginning of the tax year in which the assessment is made.

710 Notional payments: accounting for tax

- (1) If an employer makes a notional payment of PAYE income of an employee, the employer must [^{F1}, subject to and in accordance with PAYE regulations,] deduct income tax at the relevant time from any payment or payments the employer actually makes of, or on account of, PAYE income of the employee.
- (2) For the purposes of this section—
- (a) a notional payment is a payment treated as made by virtue of any of sections 687, 689 and 693 to 700, other than a payment whose amount is given by section 687(3)(a) or 689(3)(a), and
 - (b) any reference to an employer includes a reference to a person who is treated as making a payment by virtue of section 689(2).
- (3) Subsection (4) applies if, because the payments actually made are insufficient for the purpose, the employer is unable to deduct the full amount of the income tax as required by subsection (1).
- (4) The employer must [^{F2}, subject to and in accordance with PAYE regulations,] account to [^{F3}the Commissioners for Her Majesty’s Revenue and Customs] at the relevant time for an amount of income tax equal to the amount of income tax the employer is required, but is unable, to deduct.
- (5) PAYE regulations may make provision—
- (a) with respect to the time when any notional payment (or description of notional payment) is made;
 - (b) applying (with or without modifications) any specified provisions of the regulations for the time being in force in relation to deductions from actual payments to amounts [^{F4}deducted or accounted for (or required to be deducted or accounted for)] in respect of any notional payments;
 - (c) with respect to the collection and recovery of amounts [^{F5}deducted or accounted for (or required to be deducted or accounted for)] in respect of notional payments.
- (6) Any amount—
- (a) which an employer deducts as mentioned in subsection (1), or
 - (b) for which an employer accounts as mentioned in subsection (4),
- is to be treated as [^{F6}an amount of tax which], at the time when the notional payment is made, [^{F6}is deducted] in respect of the employee’s liability to income tax.

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- (7) “The relevant time” means [^{F7}(subject to subsection (7A))]
(a) in subsection (1), any occasion—
(i) on or after the time when the notional payment is made, and
(ii) falling within the same income tax period,
on which the employer actually makes a payment of, or on account of, PAYE income of the employee;
(b) in subsection (4), any time within 14 days of the end of the income tax period in which the notional payment was made.

[^{F8}(7A) In a case where the notional payment is treated by virtue of any Act as made before the date on which the Act is passed—

- (a) the reference in sub-paragraph (i) of paragraph (a) of subsection (7) to the time when the notional payment is made is to the date on which the Act is passed,
(b) the reference in sub-paragraph (ii) of that paragraph to any occasion falling within the same income tax period is to any occasion falling before the end of the income tax period next after that in which that date falls, and
(c) the reference in paragraph (b) of that subsection to the income tax period in which the notional payment was made is to the income tax period next after that in which that date falls.]

- (8) In subsection (7) “income tax period” has the same meaning as in the Income Tax (Employments) Regulations 1993 (S.I. 1993/744), or any subsequent regulations making corresponding provision.

Textual Amendments

- F1** Words in s. 710(1) inserted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 145\(6\)\(a\)](#)
F2 Words in s. 710(4) inserted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 145\(6\)\(a\)](#)
F3 Words in Act substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\), s. 53\(1\), Sch. 4 para. 102\(2\); S.I. 2005/1126, art. 2\(2\)\(h\)](#)
F4 Words in s. 710(5)(b) substituted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 145\(6\)\(b\)](#)
F5 Words in s. 710(5)(c) substituted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 145\(6\)\(b\)](#)
F6 Words in s. 710(6) substituted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 145\(6\)\(c\)](#)
F7 Words in s. 710(7) inserted (with effect in accordance with s. 94(5) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 94\(4\)\(a\); S.I. 2007/1081, art. 2](#)
F8 [S. 710\(7A\)](#) inserted (with effect in accordance with s. 94(5) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 94\(4\)\(b\); S.I. 2007/1081, art. 2](#)

Modifications etc. (not altering text)

- C1** [S. 710](#) modified (6.4.2007) by [The Finance Act 2006 \(Section 94\(5\)\) \(PAYE: Retrospective Notional Payments — Appointment of Substituted Date\) Order 2007 \(S.I. 2007/1081\), art. 2](#); as provided for by 2006 c. 25, s. 94(5)

711 Right to make a return

- (1) A person who has PAYE income for a tax year in respect of which deductions or repayments are made under PAYE regulations may by notice require [^{F9}an officer of Revenue and Customs] to give that person a notice under section 8 of TMA 1970 (personal return) for the tax year.

Status: Point in time view as at 01/04/2010.

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- (2) A notice to [^{F9}an officer of Revenue and Customs] under subsection (1) must be given no later than [^{F10}3 years] after the 31st October next following the tax year.

Textual Amendments

- F9** Words in Act substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\)](#), s. 53(1), [Sch. 4 para. 102\(1\)](#); S.I. 2005/1126, art. 2(2)(h)
- F10** Words in s. 711(2) substituted (1.4.2010) by [Finance Act 2008 \(c. 9\)](#), s. 118(2), [Sch. 39 para. 49](#); S.I. 2009/403, art. 2(2) (with art. 10)

712 Interpretation of this Part

- (1) In this Part—

“employee” means a person who holds or has held employment with another person;

“employer” means—

- (a) in relation to an employee, a person with whom the employee holds or has held an employment, and
- (b) in relation to any PAYE income of an employee, the person who is the employer of the employee in relation to the employment in respect of which the income is or was provided or, as the case may be, by reference to which it falls to be regarded as PAYE income. The above definitions are subject to sections 688 and 710(2)(b).

- (2) Sections 4 and 5 apply for the purposes of this Part as they apply for the purposes of the employment income Parts.

Status:

Point in time view as at 01/04/2010.

Changes to legislation:

There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Chapter 6.