



# Income Tax (Earnings and Pensions) Act 2003

## 2003 CHAPTER 1

### PART 3

EMPLOYMENT INCOME: EARNINGS AND BENEFITS ETC. TREATED AS EARNINGS

### CHAPTER 7

TAXABLE BENEFITS: LOANS

*General supplementary provisions*

#### **190 Exclusion of charge after death of employee**

- (1) On the employee's death a taxable cheap loan is to be treated—
  - (a) for the purposes of this Chapter as ceasing to be outstanding, and
  - (b) for the purposes of section 182 (normal method of calculating interest at the official rate) as being discharged on the date of death.
- (2) Section 188 (loan released or written off: amount treated as earnings) does not apply in relation to a release or writing off which takes effect on or after the death of the employee.

#### **191 Claim for relief to take account of event after assessment**

- (1) A claim may be made for relief in the following cases.
- (2) The first case is where—
  - (a) the tax payable by an employee for a tax year in respect of a loan has been decided on the basis that, for the purposes of section 175 (benefit of taxable

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**Changes to legislation:** *Income Tax (Earnings and Pensions) Act 2003, Cross Heading: General supplementary provisions is up to date with all changes known to be in force on or before 01 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

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- cheap loan treated as earnings), the whole or part of the interest payable on the loan for that year was not paid, and
- (b) it is subsequently paid.
- (3) The second case is where—
- (a) the tax payable by an employee for a tax year in respect of a loan has been decided on that basis that, for the purposes of section 188 (loan released or written off: amount treated as earnings), the loan has been released or written off in that year, and
    - (b) the whole or part of the loan is subsequently repaid.
- (4) The third case is where—
- (a) the tax payable by an employee for a tax year in respect of a loan has been decided on the basis that—
    - (i) section 288 (limited exemption of certain bridging loans connected with employment moves), and
    - (ii) section 289 (relief for certain bridging loans not qualifying for exemption under section 288),will not apply because the condition in section 288(1)(b) (which requires that the limit on the exemption under section 287(1) has not been reached) will not be met, and
    - (b) that condition is met.
- (5) Where a claim is made under this section the tax payable is to be adjusted accordingly.

**Changes to legislation:**

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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):

- s. 452(2)(aa) inserted by [2013 c. 29 Sch. 23 para. 11](#)
- s. 707A inserted by [2024 c. 3 s. 36\(4\)](#)