



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 4

EMPLOYMENT INCOME: EXEMPTIONS

CHAPTER 6

EXEMPTIONS: NON-CASH VOUCHERS AND CREDIT-TOKENS

General exemptions: use for exempt benefits

266 Exemption of non-cash vouchers for exempt benefits

- (1) No liability to income tax arises by virtue of Chapter 4 of Part 3 (taxable benefits: vouchers and credit-tokens) in respect of a non-cash voucher if or to the extent that the voucher is used to obtain anything the direct provision of which would fall within—
 - (a) section 237(1) (parking provision),
 - (b) section 246 (transport between home and work for disabled employees: general),
 - (c) section 247 (provision of cars for disabled employees),
 - (d) section 248 (transport home: late night working and failure of car-sharing arrangements),^{F1} ...
 - (e) section 265 (third party entertainment)^{F2}, or
 - (f) section 320C (recommended medical treatment);]
- (2) No liability to income tax arises by virtue of Chapter 4 of Part 3 (taxable benefits: vouchers and credit-tokens) in respect of a non-cash voucher if the voucher evidences the employee's entitlement to use anything the direct provision of which would fall within—

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- (a) section 242 (works transport services),
 - (b) section 243 (support for public bus services), ^{F3} ...
 - (c) section 244 (cycles and cyclist's safety equipment), [^{F4} or
 - (d) section 319 (mobile telephones).]
- (3) No liability to income tax arises by virtue of Chapter 4 of Part 3 (taxable benefits: vouchers and credit-tokens) in respect of a non-cash voucher if the voucher can only be used to obtain anything the direct provision of which would fall within—
- (a) section 245 (travelling and subsistence during public transport strikes),
 - (b) section 261 (exemption of recreational benefits),
 - (c) section 264 (annual parties and functions),
 - (d) section 296 (armed forces' leave travel facilities), ^{F5} ...
 - (e) section 317 (subsidised meals) [^{F6}, ^{F7} ...
 - (f) section 320A (eye tests and special corrective appliances)] [^{F8} or
 - (g) section 320B (health screening and medical check-ups).]
- (4) No liability to income tax arises by virtue of Chapter 4 of Part 3 (taxable benefits: vouchers and credit-tokens) in respect of a non-cash voucher if the voucher evidences the employee's entitlement to a benefit in respect of which no charge arises by virtue of Chapter 10 of Part 3 (taxable benefits: residual liability to charge) because of regulations under section 210 (power to exempt minor benefits).
- (5) For the purposes of this section direct provision is taken to fall within a section if it would do so if the employee were not in [^{F9} lower-paid employment as a minister of religion].

Textual Amendments

- F1** Word in s. 266(1)(d) omitted (1.1.2015) by virtue of [Finance Act 2014 \(c. 26\), s. 12\(3\)\(4\)](#); S.I. 2014/3226, art. 2
- F2** S. 266(1)(f) and word inserted (1.1.2015) by [Finance Act 2014 \(c. 26\), s. 12\(3\)\(4\)](#); S.I. 2014/3226, art. 2
- F3** Word in s. 266(2)(b) repealed (with effect for the year 2006-07 and subsequent years of assessment in accordance with s. 60(4)(5) of the amending Act) by [Finance Act 2006 \(c. 25\), Sch. 26 Pt. 3\(6\)](#)
- F4** S. 266(2)(d) and word inserted (with effect for the year 2006-07 and subsequent years of assessment in accordance with s. 60(4) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 60\(1\)](#)
- F5** Word in s. 266(3)(d) repealed (with effect for the year 2006-07 and subsequent years of assessment in accordance with Sch. 26 Pt. 3(8) Note of the amending Act) by [Finance Act 2006 \(c. 25\), Sch. 26 Pt. 3\(8\)](#)
- F6** S. 266(3)(f) and word inserted (with effect for the year 2006-07 and subsequent years of assessment in accordance with s. 62(5) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 62\(3\)](#)
- F7** Word in s. 266(3)(e) omitted (with effect in accordance with s. 55(5) of the amending Act) by virtue of [Finance Act 2009 \(c. 10\), s. 55\(2\)](#)
- F8** S. 266(3)(g) and word inserted (with effect in accordance with s. 55(5) of the amending Act) by [Finance Act 2009 \(c. 10\), s. 55\(2\)](#)
- F9** Words in s. 266(5) substituted (with effect in accordance with s. 13(4) of the amending Act) by [Finance Act 2015 \(c. 11\), Sch. 1 para. 15](#)

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267 Exemption of credit-tokens used for exempt benefits

- (1) No liability to income tax arises by virtue of Chapter 4 of Part 3 (taxable benefits: vouchers and credit-tokens) in respect of a credit-token if or to the extent that the token is used to obtain anything the direct provision of which—
- (a) would fall within one of the provisions specified in subsection (2), or
 - (b) would do so if the employee were not in [^{F10}lower-paid employment as a minister of religion].
- (2) Those provisions are—
- (a) section 237(1) (parking provision),
 - (b) section 245 (travelling and subsistence during public transport strikes),
 - (c) section 246 (transport between home and work for disabled employees: general),
 - (d) section 247 (provision of cars for disabled employees),
 - (e) section 248 (transport home: late night working and failure of car-sharing arrangements), ^{F11}...
 - (f) section 265 (third party entertainment).
 - [^{F12}(g) section 319 (mobile telephones).] , ^{F13}...
 - [^{F14}(h) section 320A (eye tests and special corrective appliances)] [^{F15}and
 - (i) section 320B (health screening and medical check-ups).]

Textual Amendments

- F10** Words in s. 267(1)(b) substituted (with effect in accordance with s. 13(4) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), [Sch. 1 para. 16](#)
- F11** Word in s. 267(2)(e) repealed (with effect for the year 2006-07 and subsequent years of assessment in accordance with s. 60(4)(5) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 26 Pt. 3\(6\)](#)
- F12** S. 267(2)(g) inserted (with effect for the year 2006-07 and subsequent years of assessment in accordance with s. 60(4) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [s. 60\(2\)](#)
- F13** Word in s. 267(2)(g) omitted (with effect in accordance with s. 55(5) of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [s. 55\(3\)](#)
- F14** S. 267(2)(h) and word inserted (with effect for the year 2006-07 and subsequent years of assessment in accordance with s. 62(5) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [s. 62\(4\)](#)
- F15** S. 267(2)(i) and word inserted (with effect in accordance with s. 55(5) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [s. 55\(3\)](#)

Changes to legislation:

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