



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 4

EMPLOYMENT INCOME: EXEMPTIONS

CHAPTER 8

EXEMPTIONS: SPECIAL KINDS OF EMPLOYEES

Ministers of religion

[^{F1}290E Calculation of earnings rate for a tax year

(1) For any tax year the earnings rate for an employment is to be calculated as follows—

Step 1 Find the total of the following amounts—

- (a) the total amount of the earnings from the employment for the year within Chapter 1 of Part 3 (earnings),
- (b) the total of any amounts that are treated as earnings from the employment for the year under the benefits code (see subsections (2) and (3)), and
- (c) the total of any amounts that are treated as earnings from the employment for the year under Chapter 12 of Part 3 (other amounts treated as earnings),

excluding any exempt income, other than any attributable to section 290A or 290B (accommodation outgoings of ministers of religion).

Step 2 Add to that total any extra amount required to be added for the year by section 290F (extra amounts to be added in connection with a car).

Step 3 Subtract the total amount of any authorised deductions (see subsection (4)) from the result of step 2.

Changes to legislation: There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 290E. (See end of Document for details)

Step 4 The earnings rate for the employment for the year is given by the formula—

$$R \times \frac{Y}{E}$$

where—

R is the result of step 3,

Y is the number of days in the year, and

E is the number of days in the year when the employment is held.

- (2) Section 290C(2) (provisions of benefits code not applicable to lower-paid ministers of religion) is to be disregarded for the purpose of determining any amount under step 1.
- (3) If the benefit of living accommodation is to be taken into account under step 1, the cash equivalent is to be calculated in accordance with section 105 (even if the cost of providing the accommodation exceeds £75,000).
- (4) For the purposes of step 3 “authorised deduction” means any deduction that would (assuming it was an amount of taxable earnings) be allowed from any amount within step 1 under—
- section 346 (employee liabilities),
 - section 370 (travel costs and expenses where duties performed abroad: employee's travel),
 - section 371 (travel costs and expenses where duties performed abroad: visiting spouse's, civil partner's or child's travel),
 - section 373 (non-domiciled employee's travel costs and expenses where duties performed in UK),
 - section 374 (non-domiciled employee's spouse's, civil partner's or child's travel costs and expenses where duties performed in UK),
 - section 376 (foreign accommodation and subsistence costs and expenses (overseas employments)),
 - section 713 (payroll giving to charities),
 - sections 188 to 194 of FA 2004 (contributions to registered pension schemes), or
 - section 262 of CAA 2001 (capital allowances to be given effect by treating them as deductions).]

Textual Amendments

- F1** Ss. 290C-290G inserted (with effect in accordance with s. 13(4) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), s. 13(2)

Changes to legislation:

There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 290E.