



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 4

EMPLOYMENT INCOME: EXEMPTIONS

CHAPTER 11

MISCELLANEOUS EXEMPTIONS

Awards and gifts

[^{F1}323B Section 323A: calculation of available exempt amount

- (1) The “available exempt amount”, in relation to an employee of an employer, is the amount found by deducting from the annual exempt amount the aggregate of—
 - (a) the benefit cost of eligible benefits provided earlier in the tax year by, or on behalf of, the employer to the employee, and
 - (b) any amounts allocated to the employee in accordance with subsection (4) in respect of eligible benefits provided earlier in the tax year by, or on behalf of, the employer to a member of the employee's family or household who was not at that time an employee of the employer.
- (2) The annual exempt amount is £300.
- (3) For the purposes of subsection (1) “eligible benefits” means benefits in respect of which conditions A to D in section 323A are met.
- (4) The amount allocated to an employee of an employer in respect of a benefit provided to a person (“P”) who—
 - (a) is a member of the employee's family or household, and

Changes to legislation: There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 323B. (See end of Document for details)

- (b) is not an employee of the employer,
 is the benefit cost of that benefit divided by the number of persons who meet the condition in subsection (5) and are members of P's family or household.
- (5) This condition is met if the person is—
- (a) a director or other office-holder of the employer,
 - (b) an employee of the employer who is a member of the family or household of a person within paragraph (a), or
 - (c) a former employee of the employer who—
 - (i) was a director or other office-holder at any time when the employer was a close company, or
 - (ii) is a member of the family or household of such a person.
- (6) In this section “benefit cost” has the same meaning as in section 323A.]

Textual Amendments

- F1** Ss. 323A-323C inserted (with effect in accordance with s. 13(5) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 13\(2\)](#)

Modifications etc. (not altering text)

- C1** [S. 323B\(4\)](#) modified by S.I. 2007/3537, Sch. para. 22(2)(b) (as inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by [The Employer-Financed Retirement Benefits \(Excluded Benefits for Tax Purposes\) \(Amendment\) Regulations 2016 \(S.I. 2016/1036\), regs. 1\(1\), 4](#))

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