



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 6

EMPLOYMENT INCOME: INCOME WHICH IS NOT EARNINGS OR SHARE-RELATED

CHAPTER 3

PAYMENTS AND BENEFITS ON TERMINATION OF EMPLOYMENT ETC.

Payments and benefits treated as employment income

403 Charge on payment or other benefit [^{F1}where threshold applies]

- (1) The amount of a payment or benefit to which this [^{F2}section] applies counts as employment income of the employee or former employee for the relevant tax year if and to the extent that it exceeds the £30,000 threshold.
- (2) In this section “the relevant tax year” means the tax year in which the payment or other benefit is received.
- (3) For the purposes of this Chapter [^{F3}(but see section 402B(3))] —
 - (a) a cash benefit is treated as received—
 - (i) when it is paid or a payment is made on account of it, or
 - (ii) when the recipient becomes entitled to require payment of or on account of it, and
 - (b) a non-cash benefit is treated as received when it is used or enjoyed.
- (4) For the purposes of this Chapter the amount of a payment or benefit in respect of an employee or former employee exceeds the £30,000 threshold if and to the extent that, [^{F4}when aggregated with—

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Changes to legislation: There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 403. (See end of Document for details)

- (a) other payments or benefits in respect of the employee or former employee that are payments or benefits to which this section applies, and
- (b) other payments or benefits in respect of the employee or former employee that are payments or benefits—
- (i) received in the tax year 2017-18 or an earlier tax year, and
- (ii) to which this Chapter applied in the tax year of receipt,
- it exceeds] £30,000 according to the rules in section 404 (how the £30,000 threshold applies).
- (5) If it is received after the death of the employee or former employee—
- (a) the amount of a payment or benefit to which this [^{F5}section] applies counts as the employment income of the personal representatives for the relevant year if or to the extent that it exceeds £30,000 according to the rules in section 404, and
- (b) the tax is accordingly to be assessed and charged on them and is a debt due from and payable out of the estate.
- (6) In this Chapter references to the taxable person are to the person in relation to whom subsection (1) or (5) provides for an amount to count as employment income [^{F6}or, as the case may be, in relation to whom section 402B(1) provides for an amount to be treated as an amount of earnings] .

Textual Amendments

- F1** Words in s. 403 heading inserted (with effect in accordance with s. 5(10) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), s. 5\(4\)\(f\)](#)
- F2** Word in s. 403(1) substituted (with effect in accordance with s. 5(10) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), s. 5\(4\)\(a\)](#)
- F3** Words in s. 403(3) inserted (with effect in accordance with s. 5(10) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), s. 5\(4\)\(b\)](#)
- F4** Words in s. 403(4) substituted (with effect in accordance with s. 5(10) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), s. 5\(4\)\(c\)](#)
- F5** Word in s. 403(5)(a) substituted (with effect in accordance with s. 5(10) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), s. 5\(4\)\(d\)](#)
- F6** Words in s. 403(6) inserted (with effect in accordance with s. 5(10) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), s. 5\(4\)\(e\)](#)

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