



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.

Exceptions and reductions

[^{F1}413A Exception for payment of certain legal costs

- (1) This Chapter does not apply to a payment which meets conditions A and B.
- (2) Condition A is that the payment meets the whole or part of legal costs incurred by the employee exclusively in connection with the termination of the employee's employment.
- (3) Condition B is that either—
 - (a) the payment is made pursuant to an order of a court or tribunal, or
 - (b) the termination of the employee's employment results in a [^{F2}settlement] agreement between the employer and the employee and—
 - (i) the [^{F2}settlement] agreement provides for the payment to be made by the employer, and
 - (ii) the payment is made directly to the employee's lawyer.
- (4) In this section—

^{F3}
...

Changes to legislation: There are currently no known outstanding effects for the *Income Tax (Earnings and Pensions) Act 2003, Section 413A*. (See end of Document for details)

“lawyer” has the same meaning as “qualified lawyer” in section 203(4) of the Employment Rights Act 1996 or article 245(4) of the Employment Rights (Northern Ireland) Order 1996;

“legal costs” means fees payable for the services and disbursements of a lawyer.]

Textual Amendments

- F1** S. 413A inserted (with effect in accordance with art. 10(4) of the amending S.I.) by [The Enactment of Extra-Statutory Concessions Order 2011 \(S.I. 2011/1037\)](#), arts. 1, **10(3)**
- F2** Word in s. 413A(3)(b) substituted (1.3.2013) by [The Enactment of Extra-Statutory Concessions Order 2013 \(S.I. 2013/234\)](#), arts. 1, **3(1)(a)** (with art. 3(2))
- F3** Words in s. 413A(4) omitted (1.3.2013) by virtue of [The Enactment of Extra-Statutory Concessions Order 2013 \(S.I. 2013/234\)](#), arts. 1, **3(1)(b)** (with art. 3(2))

Changes to legislation:

There are currently no known outstanding effects for the Income Tax (Earnings and Pensions) Act 2003, Section 413A.