



# 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*

#### **[<sup>F1</sup>414C Reduction in other cases of foreign service as seafarer**

- (1) This section applies if—
  - (a) the payment or other benefit is within section 401(1)(a),
  - (b) the employee or former employee is UK resident for the tax year in which the employment terminates,
  - (c) the service of the employee or former employee in the employment in respect of which the payment or other benefit is received includes foreign service, and
  - (d) section 414B(2) does not except the payment or other benefit from the application of this Chapter.
- (2) The taxable person may claim relief in the form of a proportionate reduction of the amount that would otherwise—
  - (a) be treated as earnings by section 402B(1), or
  - (b) count as employment income as a result of section 403.
- (3) The proportion is that which the length of the foreign seafaring service bears to the whole length of service in the employment before the date of the termination in question.

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**Changes to legislation:** *Income Tax (Earnings and Pensions) Act 2003, Section 414C is up to date with all changes known to be in force on or before 01 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

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- (4) A person's entitlement to relief under this section is limited as mentioned in subsection (5) if the person is entitled—
- (a) to deduct, retain or satisfy income tax out of a payment which the person is liable to make, or
  - (b) to charge any income tax against another person.
- (5) The relief must not reduce the amount of income tax for which the person is liable below the amount the person is entitled so to deduct, retain, satisfy or charge.
- (6) In this section “foreign seafaring service” has the same meaning as in section 414B(2).]

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**Textual Amendments**

- F1** Ss. 414B, 414C inserted (with effect in accordance with s. 10(5) of the amending Act) by [Finance Act 2018 \(c. 3\), s. 10\(4\)](#)

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 452(2)(aa) inserted by [2013 c. 29 Sch. 23 para. 11](#)
- s. 707A inserted by [2024 c. 3 s. 36\(4\)](#)