



Finance Act 2014

2014 CHAPTER 26

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 2

INCOME TAX: GENERAL

Exemptions and reliefs

12 Recommended medical treatment

- (1) Part 4 of ITEPA 2003 (exemptions) is amended as follows.
- (2) In Chapter 11 (miscellaneous exemptions), after section 320B insert—

“Recommended medical treatment

320C Recommended medical treatment

- (1) No liability to income tax arises in respect of—
 - (a) the provision to an employee of recommended medical treatment, or
 - (b) the payment or reimbursement, to or in respect of an employee, of the cost of such treatment,if that provision, payment or reimbursement is not pursuant to relevant salary sacrifice arrangements or relevant flexible remuneration arrangements.
- (2) But subsection (1) does not apply in a tax year if, and to the extent that, the value of the exemption in that year exceeds £500.

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- (3) Medical treatment is “recommended” if it is provided to the employee in accordance with a recommendation which—
- (a) is made to the employee as part of occupational health services provided to the employee by a service provided—
 - (i) under section 2 of the Employment and Training Act 1973 (arrangements for the purpose of assisting persons to retain employment etc), or
 - (ii) by, or in accordance with arrangements made by, the employer,
 - (b) is made for the purpose of assisting the employee to return to work after a period of absence due to injury or ill health, and
 - (c) meets any other requirements specified in regulations made by the Treasury.
- (4) Regulations under subsection (3)(c) may, in particular, specify that the recommendation must be one given after the employee has been assessed as unfit for work—
- (a) for at least the specified number of consecutive days, and
 - (b) in the specified manner by a person of a specified description.
- (5) The Treasury may by order amend subsection (3)(a) so as to add, amend or remove a reference to any enactment.
- (6) “The value of the exemption”, in a tax year, is an amount equal to the sum of—
- (a) all earnings within section 62 (earnings), and
 - (b) all earnings which are treated as such under the benefits code,
- in respect of which subsection (1) would prevent liability to income tax from arising in the tax year disregarding subsection (2).
- (7) In this section—
- “medical treatment” means all procedures for diagnosing or treating any physical or mental illness, infirmity or defect;
- “relevant salary sacrifice arrangements” means arrangements (whenever made, whether before or after the employment began) under which the employee gives up the right to receive an amount of general earnings or specific employment income in return for the provision of recommended medical treatment or the payment or reimbursement of the cost of such treatment;
- “relevant flexible remuneration arrangements” means arrangements (whenever made, whether before or after the employment began) under which the employee and employer agree that the employee is to be provided with recommended medical treatment or the cost of such treatment is to be paid or reimbursed, rather than the employee receiving some other description of employment income;
- “specified” means specified in regulations under subsection (3)(c).”
- (3) In section 266 (exemption of non-cash vouchers for exempt benefits), in subsection (1), omit the “or” at the end of paragraph (d) and after paragraph (e) insert “, or

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- (f) section 320C (recommended medical treatment);”.
- (4) The amendments made by this section have effect in accordance with provision contained in an order made by the Treasury.
- (5) Section 1014(4) of ITA 2007 (orders etc subject to annulment) does not apply in relation to an order under subsection (4).

Commencement Information

- II** S. 12 has effect as specified (1.1.2015) by [The Finance Act 2014, Section 12 \(Appointed Day\) Order 2014 \(S.I. 2014/3226\)](#), [art. 2](#)

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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. 212(4)(f) and word inserted by [2021 c. 26 Sch. 27 para. 43\(b\)\(ii\)](#)
- s. 212(5)(a)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(ii\)](#)
- s. 212(5)(b)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(iv\)](#)
- s. 212(5)(c)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(v\)](#)
- Sch. 31 para. 2(3)(b) inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(iii\)](#)
- Sch. 31 para. 2(4A) inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(c\)](#)
- Sch. 31 para. 3(1A) inserted by [2017 c. 32 Sch. 14 para. 45\(3\)\(b\)](#)
- Sch. 31 para. 5(b) inserted by [2017 c. 32 Sch. 14 para. 45\(4\)\(c\)](#)
- Sch. 31 para. 2(3)(a) words inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(ii\)](#)
- Sch. 31 para. 5(a) words inserted by [2017 c. 32 Sch. 14 para. 45\(4\)\(b\)](#)
- Sch. 31 para. 2(3)(a) words renumbered as Sch. 31 para. 2(3)(a) by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(i\)](#)
- Sch. 31 para. 5(a) words renumbered as Sch. 31 para. 5(a) by [2017 c. 32 Sch. 14 para. 45\(4\)\(a\)](#)
- Sch. 32 para. 1(2)(b) inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(iii\)](#)
- Sch. 32 para. 1(3A) inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(c\)](#)
- Sch. 32 para. 1(2)(a) words inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(ii\)](#)
- Sch. 32 para. 1(2)(a) words renumbered as Sch. 32 para. 1(2)(a) by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(i\)](#)