

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

The Finance Act 2015 (c.11) (“FA 2015”) made various amendments to the Income Tax (Earnings and Pensions) Act 2003 (c.1) (“ITEPA”) with a view to simplifying the way in which benefits and expenses provided to employees are taxed. FA 2015 inserted new Chapter 7A into ITEPA which exempts certain amounts which have been paid or reimbursed to employees in respect of expenses, where a deduction from income tax would previously have been available. An exemption from income tax is provided for amounts paid or reimbursed to employees where those amounts have been calculated and paid or reimbursed in an “approved way”. These Regulations specify an approved way of calculating and paying or reimbursing expenses for the purposes of the section 289A exemption.

Regulation 1 provides that these Regulations shall have effect from the tax year 16-17 onwards and defines “qualifying travel”.

Regulation 2 sets out the approved way of calculating and paying or reimbursing standard meal allowances for employees who are undertaking qualifying travel. Meal allowances which fall within the description set out in this regulation will be exempt from income tax.

Tax Information and Impact Notes covering this instrument were published on 10th December 2014 alongside the draft clauses and explanatory notes for the Finance Bill 2015 and are available on the Government website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>. They remain an accurate summary of the impacts that apply to this instrument.

**Changes to legislation:**

There are currently no known outstanding effects for the The Income Tax (Approved Expenses) Regulations 2015.