
STATUTORY INSTRUMENTS

2024 No. 305

INCOME TAX

**The Income Tax (Pay As You Earn)
(Amendment) Regulations 2024**

	<i>at 4.18 p.m. on 7th</i>
<i>Made</i> - - - -	<i>March 2024</i>
<i>Laid before the House of</i>	
<i>Commons</i> - - - -	<i>11th March 2024</i>
<i>Coming into force</i> - -	<i>6th April 2024</i>

The Commissioners for His Majesty’s Revenue and Customs make these Regulations in exercise of the powers conferred by section 684(1) and (2) of the Income Tax (Earnings and Pensions) Act 2003(1).

Citation and commencement

1. These Regulations may be cited as the Income Tax (Pay As You Earn) (Amendment) Regulations 2024 and come into force on 6th April 2024.

Amendment of the Income Tax (Pay As You Earn) Regulations 2003

- 2.—(1) The Income Tax (Pay As You Earn) Regulations 2003(2) are amended as follows.
(2) After regulation 67BC insert—

“Employees paid advance payments

- 67BD.**—(1) Paragraph (2) applies where a Real Time Information employer(3)—
(a) makes regular relevant payments to an employee(4),
(b) makes an advance payment to the employee, and
(c) makes a reduced regular relevant payment to the employee.

(1) 2003 c. 1 (“ITEPA”). Section 684 was relevantly amended by section 145 of the Finance Act 2003 (c. 14), paragraph 102 of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c. 11) and paragraphs 1, 2, 3 and 7 of Schedule 58 to the Finance Act 2009 (c. 10).
(2) S.I. 2003/2682 (“the PAYE Regulations”); relevant amending instruments are S.I. 2012/822 and 2013/521.
(3) Regulation 2 of the PAYE Regulations provides that “Real Time Information employer” has the meaning given in regulation 2A of the PAYE Regulations.
(4) Regulation 2 of the PAYE Regulations provides that, subject to regulations 10 to 12 of the PAYE Regulations, “employment” has the meaning given in sections 4 and 5 of ITEPA and that “employee” has a corresponding meaning.

- (2) Where this paragraph applies—
- (a) the requirements of regulations 66, 67B and Schedule A1 do not apply to advance payments in the period beginning with the making of the advance payment and ending with the making of the reduced regular relevant payment, and
 - (b) the reduced regular relevant payment and advance payments made in respect of it must be treated for the purposes of regulations 66, 67B and Schedule A1 as if they were a single relevant payment⁽⁵⁾ made at the time that the reduced regular relevant payment is made.
- (3) In this regulation—
- (a) “advance payment” means a relevant payment that—
 - (i) is not a regular relevant payment,
 - (ii) is for an amount that would otherwise be included in the amount of the next regular relevant payment that follows the making of the relevant payment, and
 - (iii) does not exceed the amount that, at the time that the relevant payment is made, reasonably represents completed service in respect of which no other relevant payment has been made;
 - (b) “completed service” means work undertaken or obligations performed by the employee in accordance with the employee’s contract with the Real Time Information employer;
 - (c) “reduced regular relevant payment” means a regular relevant payment that has been reduced by reference to advance payments made to the employee;
 - (d) “regular relevant payment” means a relevant payment normally made to the employee at fixed intervals of no shorter than a week and no longer than a month.”

Justin Holliday
Myrtle Lloyd

Two of the Commissioners for His Majesty’s
Revenue and Customs

At 4.18 p.m. on 7th March 2024

(5) Regulation 2 of the PAYE Regulations provides that “relevant payments” has the meaning given in regulation 4 of the PAYE Regulations.

EXPLANATORY NOTE

(This note is not part of the Regulations)

The Regulations amend the Income Tax (Pay As You Earn) Regulations 2003 ([S.I. 2003/2682](#)) (“the PAYE Regulations”).

Regulation 2 inserts regulation 67BD into the PAYE Regulations to determine the correct treatment, for the purposes of regulations 66 and 67B of and Schedule A1 to the PAYE Regulations, of certain advance payments a Real Time Information employer makes to an employee. Regulation 66 requires any employer to record any relevant payment it makes to an employee in a deductions working sheet. Regulation 67B requires that, on or before making a relevant payment to an employee, a Real Time Information employer sends His Majesty’s Revenue and Customs (“HMRC”) a return containing the information listed in Schedule A1.

Regulation 67BD provides that, in respect of both the deductions working sheet and the return to HMRC, a Real Time Information employer must treat certain advance payments and the reduced regular relevant payment that follows them as a single payment, made on the date that the reduced regular relevant payment is made.

A Tax Information and Impact Note has not been prepared for this instrument as it contains no substantive changes to tax policy.