



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 4

EMPLOYMENT INCOME: EXEMPTIONS

CHAPTER 8

EXEMPTIONS: SPECIAL KINDS OF EMPLOYEES

MPs, government ministers etc.

291 Termination payments to MPs and others ceasing to hold office

- (1) No liability to income tax in respect of earnings arises by virtue of any grant or payment to which this section applies (but see Chapter 3 of Part 6: payments and benefits on termination of employment etc.).
- (2) This section applies to grants and payments—
 - (a) made in accordance with a resolution of the House of Commons to a person ceasing to be a Member of that House on a dissolution of Parliament,
 - (b) made under section 4 of the Ministerial and other Pensions and Salaries Act 1991 (c. 5) (grants to persons ceasing to hold certain ministerial and other offices),
 - (c) made under section 3 of the European Parliament (Pay and Pensions) Act 1979 (c. 50) (resettlement grants for persons ceasing to be Representatives),
 - (d) made under section 81(3) of the Scotland Act 1998 (c. 46) to a person—
 - (i) ceasing to be a member of the Scottish Parliament on its dissolution, or
 - (ii) ceasing to hold an office corresponding to a relevant office,

Status: Point in time view as at 06/04/2003.

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- (e) made under section 18(1) of the Government of Wales Act 1998 (c. 38) to a person ceasing to be a member of the National Assembly for Wales on the expiry of the member's term of office, or
 - (f) made under section 48(1) of the Northern Ireland Act 1998 (c. 47) to a person—
 - (i) ceasing to be a member of the Northern Ireland Assembly on its dissolution, or
 - (ii) ceasing to hold an office corresponding to a relevant office.
- (3) In this section “a relevant office” has the same meaning as in section 4 of the Ministerial and other Pensions and Salaries Act 1991.

292 Overnight expenses allowances of MPs

- (1) No liability to income tax arises in respect of an overnight expenses allowance paid to a Member of the House of Commons in accordance with a resolution of that House.
- (2) “Overnight expenses allowance” means an allowance expressed to be in respect of additional expenses necessarily incurred by the Member in staying overnight away from the Member's only or main residence, for the purpose of performing parliamentary duties—
 - (a) in the London area, as defined in such a resolution, or
 - (b) in the Member's constituency.

293 Overnight expenses of other elected representatives

- (1) No liability to income tax arises in respect of a payment to which this section applies if it is expressed to be made in respect of a member's necessary overnight expenses.
- (2) This section applies to payments—
 - (a) made to members of the Scottish Parliament under section 81(2) of the Scotland Act 1998 (c. 46),
 - (b) made to members of the National Assembly for Wales under section 16(2) of the Government of Wales Act 1998 (c. 38), or
 - (c) made to members of the Northern Ireland Assembly under section 47(2) of the Northern Ireland Act 1998 (c. 47).
- (3) In this section “a member's necessary overnight expenses” means additional expenses necessarily incurred by a member for the purpose of performing duties as a member in staying overnight away from the member's only or main residence—
 - (a) in the area in which the Parliament or Assembly to which the member belongs sits, or
 - (b) in the constituency or region which the member represents.

294 EU travel expenses of MPs and other representatives

- (1) No liability to income tax arises in respect of a sum that is—
 - (a) paid to a Member of the House of Commons in accordance with a resolution of that House providing for Members of that House to be reimbursed EU travel expenses, or
 - (b) paid to a member of—

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- (i) the Scottish Parliament under section 81(2) of the Scotland Act 1998,
 - (ii) the National Assembly for Wales under section 16(2) of the Government of Wales Act 1998, or
 - (iii) the Northern Ireland Assembly under section 47(2) of the Northern Ireland Act 1998,
- and expressed to be made in respect of EU travel expenses.
- (2) “EU travel expenses” means the cost of, and any additional expenses incurred in, travelling between the United Kingdom and—
- (a) a European Union institution in Brussels, Luxembourg or Strasbourg, or
 - (b) the national parliament of another member State or of a candidate country.
- (3) In subsection (2) “candidate country” means Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, the Slovak Republic, Slovenia or Turkey.
- (4) The Treasury shall by order make such amendments of the definition in subsection (3) as are necessary to secure that the countries listed are those that are from time to time candidates for membership of the European Union.

295 Transport and subsistence for Government ministers etc.

- (1) No liability to income tax arises in respect of the provision of transport or subsistence provided or made available by or on behalf of the Crown to—
- (a) the holder of a ministerial office, or
 - (b) a member of the family or household of the holder of a ministerial office.
- (2) No liability to income tax arises in respect of payments and reimbursements by or on behalf of the Crown of expenses incurred in connection with the provision of transport or subsistence to a person within subsection (1).
- (3) “Ministerial office” means—
- (a) an office in Her Majesty’s Government in the United Kingdom,
 - (b) any other office which is one of the offices and positions in respect of which salaries are payable under section 1 of the Ministerial and other Salaries Act 1975 (c. 27), and
 - (c) an office under one of the following Acts which corresponds to an office within paragraph (a) or (b)—
 - (i) the Scotland Act 1998 (c. 46),
 - (ii) the Government of Wales Act 1998 (c. 38), or
 - (iii) the Northern Ireland Act 1998 (c. 47).
- (4) In determining whether a particular person holds an office within subsection (3)(b), it is irrelevant whether or not a salary is paid or payable to that person under the Ministerial and other Salaries Act 1975.
- (5) In this section references to the provision of transport to a person include references to—
- (a) the provision or making available to that person of a vehicle with or without a driver,
 - (b) the provision of fuel for a vehicle provided or made available to that person, and

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- (c) the provision of any other benefit in connection with such a vehicle.
- (6) In this section—
- (a) “subsistence” includes food and drink and temporary living accommodation, and
 - (b) “vehicle” means a mechanically propelled road vehicle.

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