



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

[^{F1}414B Exception in certain cases of foreign service as seafarer

- (1) This section applies to a payment or other benefit if—
 - (a) the payment or other benefit is within section 401(1)(a), and
 - (b) the employee or former employee is UK resident for the tax year in which the employment terminates.
- (2) This Chapter does not apply if the service of the employee or former employee in the employment in respect of which the payment or other benefit is received included foreign seafaring service comprising—
 - (a) three-quarters or more of the whole period of service ending with the date of the termination in question, or
 - (b) if the period of service ending with that date exceeded 10 years, the whole of the last 10 years, or
 - (c) if the period of service ending with that date exceeded 20 years, one-half or more of that period, including any 10 of the last 20 years.
- (3) In subsection (2) “foreign seafaring service” means service to which subsection (4), (5) or (7) applies.

Changes to legislation: *Income Tax (Earnings and Pensions) Act 2003, Section 414B is up to date with all changes known to be in force on or before 10 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*

- (4) This subsection applies to service in or after the tax year 2003-04 such that a deduction equal to the whole amount of the earnings from the employment was or would have been allowable under Chapter 6 of Part 5 (deductions from seafarers' earnings).
- (5) This subsection applies to service before the tax year 2003-04 and after the tax year 1973-74 such that a deduction equal to the whole amount of the emoluments from the employment was or would have been allowable under a seafarers' earnings deduction provision.
- (6) In subsection (5) “seafarers' earnings deduction provision” means—
- (a) paragraph 1 of Schedule 2 to FA 1974 so far as relating to employment as a seafarer,
 - (b) paragraph 1 of Schedule 7 to FA 1977 so far as relating to employment as a seafarer,
 - (c) section 192A of ICTA, or
 - (d) section 193(1) of ICTA so far as relating to employment as a seafarer.
- (7) This subsection applies to service before the tax year 1974-75 in an employment as a seafarer such that tax was not chargeable in respect of the emoluments of the employment—
- (a) in the tax year 1956-57 or later, under Case I of Schedule E, or
 - (b) in earlier tax years, under Schedule E,
- or it would not have been so chargeable had there been any such emoluments.
- (8) In this section “employment as a seafarer” is to be read in accordance with section 384.]

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\(4\)](#)

Changes to legislation:

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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\(4\)](#)