



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

[^{F1}PART 7A U.K.]

EMPLOYMENT INCOME PROVIDED THROUGH THIRD PARTIES

CHAPTER 1 U.K.

APPLICATION ETC

Exclusions

[^{F1}[^{F2}554OA] Exclusions: transfer of employment-related loans U.K.]

- (1) Chapter 2 does not apply by reason of a relevant step taken by a person (“P”) if—
- the step is acquiring a right to payment of an amount equal to the whole or part of a payment made by way of a loan to a relevant person (the “borrower”),
 - the loan, at the time it was made, was an employment-related loan,
 - at the time the relevant step is taken, the section 180 threshold is not exceeded in relation to the loan,
 - at the time the relevant step is taken, the borrower is an employee, or a prospective employee, of P, and
 - there is no connection (direct or indirect) between the relevant step and a tax avoidance arrangement.
- (2) For the purposes of this section, the section 180 threshold is not exceeded in relation to a loan if, at all times in the relevant tax year—
- the amount outstanding on the loan, or
 - if two or more employment-related loans are made by the same employer, the aggregate of the amount outstanding on them,

Status: Point in time view as at 16/11/2017.

Changes to legislation: *Income Tax (Earnings and Pensions) Act 2003, Section 554OA is up to date with all changes known to be in force on or before 13 July 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)*

does not exceed the amount specified at the end of section 180(2) (normal threshold for benefit of a loan to be treated as earnings).

- (3) Subsection (4) applies if—
- (a) two or more employment-related loans are made by the same employer, and
 - (b) during the relevant tax year, a person acquires a right to payment of an amount (the “transfer amount”) equal to the whole or part of the payment made by way of any of the loans.
- (4) The transfer amount is to be treated as an “amount outstanding” on that loan for the purposes of subsection (2)(b).
- (5) In this section—
- (a) “employment-related loan” has the same meaning as it has for the purposes of Chapter 7 of Part 3;
 - (b) “relevant tax year” means the tax year in which the relevant step is taken.]

[See paragraph 27 of Schedule 11 to F(No. 2)A 2017 for provision about exclusions
^{F3}(6) where a loan is an employment-related loan and the relevant step is within paragraph 1 of that Schedule.]]

Textual Amendments

- F1** Pt. 7A inserted (with effect in accordance with Sch. 2 paras. 52-59 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 2 para. 1](#)
- F2** S. 554OA inserted (with effect in accordance with Sch. 6 para. 13 of the amending Act) by [Finance Act 2017 \(c. 10\)](#), [Sch. 6 para. 5](#)
- F3** S. 554OA(6) inserted (16.11.2017) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 11 para. 28](#)

Modifications etc. (not altering text)

- C1** Pt. 7A modified (16.11.2017) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 11 para. 35\(6\)](#)
- C2** Pt. 7A modified (16.11.2017) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 11 para. 1\(8\)](#)
- C3** Ss. 554OA(2)-(5) applied (16.11.2017) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 11 para. 27\(2\)](#)

Status:

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Changes to legislation:

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