



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 11

PAY AS YOU EARN

CHAPTER 3

PAYE: SPECIAL TYPES OF PAYER OR PAYEE

690 Employee non-resident etc.

- (1) This section applies in relation to an employee in a tax year ^{F1}... if the employee—
- [^{F2}(a) is either non-UK resident for the tax year or is UK resident but meets the requirement of section 26A for the tax year, and]
 - (b) works or will work in the United Kingdom and also works or is likely to work outside the United Kingdom.

[^{F3}(1A) This section also applies in relation to an employee in a tax year if it appears to an officer of Revenue and Customs that—

- (a) the tax year is likely to be a split year as respects the employee, and
- (b) the employee works or will work in the United Kingdom and also works or is likely to work outside the United Kingdom.]

- (2) If in relation to an employee to whom this section applies and any tax year it appears to [^{F4}an officer of Revenue and Customs]—

- (a) some of the income paid to the employee by the employer is PAYE income, but
- (b) some of that income may not be PAYE income,

[^{F4}an officer of Revenue and Customs] may, on an application made by the appropriate person, give a direction for determining a proportion of any payment made in that year of, or on account of, income of the employee which is to be treated as PAYE income.

Status: Point in time view as at 06/04/2022.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Section 690 is up to date with all changes known to be in force on or before 04 September 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)

- [^{F5}(2A) For the purposes of subsection (2) as it applies in relation to an employee who is UK resident [^{F6}for a tax year but not domiciled in the United Kingdom in that tax year], the officer may treat section 809B of ITA 2007 (remittance basis) as applying to the employee for that year, even if no claim under that section has been made.]
- (3) In this section—
- (a) “the appropriate person” means the person designated by the employer for the purposes of this section and, if no person is so designated, the employer, and
 - (b) any reference to a payment made by the employer includes a reference to a payment made by a person acting on behalf of the employer and at the expense of the employer or a person connected with the employer.
- (4) An application under subsection (2) must provide such information as is available and is relevant to the application.
- (5) A direction under subsection (2)—
- (a) must specify the employee to whom and the tax year to which it relates,
 - (b) must be given by notice to the appropriate person, and
 - (c) may be withdrawn by notice to the appropriate person from a date specified in the notice.
- (6) The date so specified may not be earlier than 30 days from the date on which the notice of withdrawal is given.
- (7) If—
- (a) a direction under subsection (2) has effect in relation to an employee to whom this section applies, and
 - (b) a payment of, or on account of, the income of the employee is made by the employer in the tax year to which the direction relates,
- the proportion of the payment determined in accordance with the direction is to be treated for the purposes of PAYE regulations as a payment of PAYE income of the employee.
- (8) If in any tax year—
- (a) no direction under subsection (2) has effect in relation to an employee to whom this section applies, and
 - (b) any payment of, or on account of, the income of the employee is made by the employer,
- the entire payment is to be treated for the purposes of PAYE regulations as a payment of PAYE income of the employee.
- (9) Subsections (7) and (8) are without prejudice to—
- (a) any assessment in respect of the income of the employee in question, and
 - (b) any right to repayment of income tax [^{F7}and any relevant debts] overpaid and any obligation to pay income tax underpaid [^{F8}and any relevant debts that remain wholly or partly unpaid] .
- (10) In a case where section 689 [^{F9}or 689A] applies—
- (a) the references to the employer in subsection (3)(a) are to be read as references to the relevant person, and

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- (b) any reference to a payment made by the employer is to be read as a reference to a payment treated, for the purposes of PAYE regulations, as made by the relevant person.

In this subsection “the relevant person” has the same meaning as in section 689 [F10 or (as the case may be) 689A] .

Textual Amendments

- F1** Word in s. 690(1) omitted (with effect in accordance with Sch. 45 para. 153(2) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 45 para. 73\(2\)](#)
- F2** S. 690(1)(a) substituted (with effect in accordance with Sch. 46 para. 25 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 46 para. 15\(2\)](#) (with [Sch. 46 para. 26](#))
- F3** S. 690(1A) inserted (with effect in accordance with Sch. 45 para. 153(2) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 45 para. 73\(3\)](#)
- F4** Words in Act substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\)](#), s. 53(1), [Sch. 4 para. 102\(1\)](#); S.I. 2005/1126, art. 2(2)(h)
- F5** S. 690(2A) inserted (with effect in accordance with Sch. 7 para. 81 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 35](#)
- F6** Words in s. 690(2A) substituted (with effect in accordance with Sch. 46 para. 25 of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [Sch. 46 para. 15\(3\)](#) (with [Sch. 46 para. 26](#))
- F7** Words in s. 690(9)(b) inserted (20.7.2011) by [The Finance Act 2009 \(Consequential Amendments\) Order 2011 \(S.I. 2011/1583\)](#), arts. 1, [2\(8\)\(a\)](#)
- F8** Words in s. 690(9)(b) inserted (20.7.2011) by [The Finance Act 2009 \(Consequential Amendments\) Order 2011 \(S.I. 2011/1583\)](#), arts. 1, [2\(8\)\(b\)](#)
- F9** Words in s. 690(10) inserted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), s. [21\(6\)\(a\)\(10\)](#)
- F10** Words in s. 690(10) inserted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), s. [21\(6\)\(b\)\(10\)](#)

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