
Changes to legislation: Finance Act 1994, Cross Heading: Employee benefits: transport vouchers is up to date with all changes known to be in force on or before 11 May 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

SCHEDULES

SCHEDULE 24

PROVISIONS RELATING TO THE RAILWAYS ACT 1993

Employee benefits: transport vouchers

- 27 (1) This paragraph applies to any person (an “eligible person”)—
- (a) who on 11th January 1994 was in the employment of—
 - (i) the Board,
 - (ii) a wholly owned subsidiary of the Board, or
 - (iii) any other subsidiary of the Board which, at that date, was a passenger transport undertaking; and
 - (b) who at that date was provided, or was eligible to be provided, by reason of that employment, with a transport voucher falling within subsection (6) of section 141 of the Taxes Act 1988 (exclusion of subsection (1) of that section in relation to certain transport vouchers);
- but this sub-paragraph is subject to sub-paragraph (2) below.
- (2) This paragraph shall not apply, or shall cease to apply, to a person if, on or after 11th January 1994, any of the following conditions became or becomes satisfied in his case, that is to say—
- (a) he ceases, otherwise than—
 - (i) by virtue of anything done under or by virtue of, or pursuant to, the ^{M1}Railways Act 1993, or
 - (ii) by virtue of any other enactment or statutory instrument, in consequence of anything so done,to be in the employment of a person falling within sub-paragraph (i) or, as the case may be, sub-paragraph (ii) or (iii) of sub-paragraph (1)(a) above;
 - (b) he is not in the employment of any person engaged in the railway industry; or
 - (c) the continuity of the period of his employment is broken.
- (3) [^{F1}Section 86 of ITEPA 2003 (exception for certain transport vouchers)] shall, if and so long as the conditions in sub-paragraph (4) below are satisfied, have effect in relation to a transport voucher provided for an eligible person, notwithstanding—
- (a) that the employer of the eligible person does not fall to be regarded as a passenger transport undertaking;
 - (b) that the arrangements under which the transport voucher is provided were not in operation on 25th March 1982; or
 - (c) that the passenger transport services which may be obtained by means of the transport voucher are provided, in whole or in part, otherwise than as mentioned in [^{F2}section 86(2)(a) to (d) of ITEPA 2003] ;
- but this sub-paragraph is subject to sub-paragraph (2) above.

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- (4) The conditions mentioned in sub-paragraph (3) above are—
- (a) that the eligible person is in the employment of an employer engaged in the railway industry;
 - (b) that the transport voucher is provided by reason of the eligible person's being in the employment of such an employer;
 - (c) that the transport voucher is intended to enable the eligible person or a relation of his to obtain passenger transport services; and
 - (d) that the current transport voucher benefits in the case of the eligible person are not significantly better than the former transport voucher benefits for comparable employees.
- (5) The Secretary of State may, with the consent of the Treasury, by order prescribe for any purposes of this paragraph circumstances—
- (a) in which a person who ceases, or ceased, as mentioned in sub-paragraph (2) (a) above to be in the employment there mentioned shall be treated—
 - (i) as if he had not ceased to be in that employment, or
 - (ii) as if he had not so ceased to be in that employment;
 - (b) in which a person shall be treated for a period during which he is not or was not in the employment of any person engaged in the railway industry as if he were or had been in the employment of such a person;
 - (c) in which a break in the continuity of a person's period of employment shall be disregarded; or
 - (d) in which a transport voucher shall be treated as if it were, or had been, provided for a person by reason of his being in the employment of an employer engaged in the railway industry.
- (6) The employers who are to be regarded for the purposes of this paragraph as “engaged in the railway industry” are those who carry on activities of a class or description specified for the purposes of this sub-paragraph in an order made by the Secretary of State with the consent of the Treasury; and the Secretary of State may so specify any class or description of activity which, in his opinion, falls within, or is related to or connected with, the railway industry.
- (7) Any power to make an order under this paragraph shall be exercisable by statutory instrument; and a statutory instrument containing such an order shall be subject to annulment pursuant to a resolution of the House of Commons.
- (8) In determining for the purposes of sub-paragraph (4)(d) above whether the current transport voucher benefits in the case of an eligible person are not significantly better than the former transport voucher benefits for comparable employees, regard shall be had, in particular, to—
- (a) the passenger transport services which may be, or (as the case may be) might have been, obtained by means of transport vouchers under the arrangements in question,
 - (b) whether, and (if so) the extent to which, free or concessionary travel is or (as the case may be) was available under those arrangements,
 - (c) the rate of any discount to the standard fare which is or (as the case may be) was available in the case of concessionary travel under those arrangements, and
 - (d) any limitations on the availability or use of transport vouchers under the arrangements in question.

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[^{F3}(9) Chapter I of Part XIV of the Employment Rights Act 1996, except section 218(6), shall apply for the purposes of this paragraph as it applies for the purposes of that Act.]

(12) In this paragraph—

“the current transport voucher benefits”, in the case of an eligible person, means the totality of the benefits which, by reason of his employment by an employer engaged in the railway industry, are available in the year in question—

- (a) to the eligible person, and
- (b) to relations of his,

by way of transport voucher under the arrangements under which the transport voucher in question is provided;

“the former transport voucher benefits for comparable employees”, in the case of an eligible person, means the totality of the benefits which would, by reason of the employment by the Board of a person of similar status to the eligible person (“the comparable person”), have been available in the year 1993-94—

- (a) to the comparable person, and
- (b) to relations of his,

by way of transport voucher under arrangements in operation on 25th March 1982.

[^{F4}“ITEPA 2003” means the Income Tax (Earnings and Pensions) Act 2003.]

[^{F5}(13) Subject to paragraph 1(1) and sub-paragraph (12) above, expressions used in this paragraph and in section 86 of ITEPA 2003 have the same meaning in this paragraph as in that section.

This does not apply in relation to the reference to a transport voucher in sub-paragraph (1) above.]

(14) This paragraph has effect—

- (a) in relation to transport vouchers received by an employee on or after 11th January 1994; and
- (b) in relation to expense incurred on or after that date in, or in connection with, the provision of—
 - (i) any transport voucher, or
 - (ii) the money, goods or services for which it is capable of being exchanged,

irrespective of when the transport voucher falls to be regarded as received by the employee in question.

Textual Amendments

- F1** Words in Sch. 24 para. 27(3) substituted (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 6 para. 224\(2\)](#) (with [Sch. 7](#))

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- F2** Words in Sch. 24 para. 27(3)(c) substituted (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 723, Sch. 6 para. 224\(3\)](#) (with [Sch. 7](#))
- F3** Sch. 24 para. 27(9) substituted for paras. (9) to (11) (22.8.1996) by [1996 c. 18, ss. 240, 243, Sch. 1 para. 62\(a\)](#) (with [ss. 191-195, 202](#))
- F4** Words in Sch. 24 para. 27(12) inserted (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 723, Sch. 6 para. 224\(4\)](#) (with [Sch. 7](#))
- F5** Sch. 24 para. 27(13) substituted (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 723, Sch. 6 para. 224\(5\)](#) (with [Sch. 7](#))

Marginal Citations

- M1** [1993 c. 43.](#)

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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. 16A(2)(g) inserted by [2023 c. 30 Sch. 13 para. 28](#)
- s. 160(2)-(7) modified by 2010 c. 8 s. 464(6) (as inserted) by [2017 c. 32 Sch. 5 para. 1](#)
- Sch. 5 para. 2(1)(pa) inserted by [S.I. 2022/109 reg. 4](#) (This amendment not applied to [legislation.gov.uk](#). The affecting statutory instrument has no legal effect. It was made under a procedure which meant that it ceased to have effect 28 days after signing unless it was debated and approved in Parliament within that time. It was not debated and approved within 28 days, so it has expired with no effect.)