



Finance Act 2000

2000 CHAPTER 17

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER II

OTHER PROVISIONS

Other provisions about employment

57 Benefits in kind: deregulatory amendments

- (1) Chapter II of Part V of the Taxes Act 1988 (provisions relating to the Schedule E charge: benefits in kind, etc.) is amended in accordance with Schedule 10 to this Act.
- (2) The amendments have effect for the year 2000-01 and subsequent years of assessment.

58 Education and Training

- (1) After section 200D of the Taxes Act 1988 (work-related training) insert—

“200E Education and training funded by employers

- (1) This section applies for the purposes of Schedule E where any person (in this section, and sections 200F and 200G, called “the employer”) incurs expenditure—
 - (a) by making a payment to a person (“the provider”) in respect of the costs of any qualifying education or training provided by the provider to a fundable employee of the employer (in this section, and sections 200F and 200G, called “the employee”), or
 - (b) in paying or reimbursing any related costs.

Status: This is the original version (as it was originally enacted).

- (2) Subject to sections 200F to 200H, the emoluments of the employee from the office or employment shall not be taken to include—
- (a) any amount in respect of that expenditure, or
 - (b) any amount in respect of the benefit of the education or training provided by means of that expenditure.
- (3) In subsection (1) above “related costs”, in relation to any qualifying education or training provided to the employee, means—
- (a) any costs that are incidental to the employee’s undertaking the education or training and are incurred wholly and exclusively as a result of his doing so;
 - (b) any expenses incurred in connection with an assessment (whether by examination or otherwise) of what the employee has gained from the education or training; and
 - (c) the cost of obtaining for the employee any qualification, registration or award to which he has or may become entitled as a result of undertaking the education or training or of undergoing such an assessment.
- (4) In this section “qualifying education or training” means education or training of a kind that qualifies for grants whose payment is authorised by—
- (a) regulations under section 108 or 109 of the Learning and Skills Act 2000, or
 - (b) regulations under section 1 of the Education and Training (Scotland) Act 2000.
- (5) For the purposes of this section, a person is a fundable employee of the employer if—
- (a) he holds, or has at any time held, an office or employment under the employer, and
 - (b) he holds an account that qualifies under section 104 of the Learning and Skills Act 2000 or he is a party to qualifying arrangements.
- (6) In subsection (5) above “qualifying arrangements” means arrangements which qualify under—
- (a) section 105 or 106 of the Learning and Skills Act 2000, or
 - (b) section 2 of the Education and Training (Scotland) Act 2000.

200F Section 200E: exclusion of expenditure not directly related to training

- (1) Section 200E shall not apply in the case of any expenditure to the extent that it is incurred in paying or reimbursing the cost of any facilities or other benefits provided or made available to the employee for either or both of the following purposes, that is to say—
- (a) enabling the employee to enjoy the facilities or benefits for entertainment or recreational purposes;
 - (b) rewarding the employee for the performance of the duties of his office or employment under the employer, or for the manner in which he has performed them.

Status: This is the original version (as it was originally enacted).

- (2) Section 200E shall not apply in the case of any expenditure incurred in paying or reimbursing any expenses of travelling or subsistence, except to the extent that those expenses would be deductible under section 198 if the employee—
- (a) undertook the education or training in question in the performance of the duties of—
 - (i) his office or employment under the employer, or
 - (ii) where the employee no longer holds an office or employment under the employer, the last office or employment that he did hold under the employer; and
 - (b) incurred those expenses out of the emoluments of that office or employment.
- (3) Section 200E shall not apply in the case of any expenditure incurred in paying or reimbursing the cost of providing the employee with, or with the use of, any asset except where—
- (a) the asset is provided or made available for use only in the course of the education or training;
 - (b) the asset is provided or made available for use in the course of the education or training and in the performance of the duties of the employee's office or employment but not to any significant extent for any other use;
 - (c) the asset consists in training materials provided in the course of the education or training; or
 - (d) the asset consists in something made by the employee in the course of the education or training or incorporated into something so made.
- (4) In subsection (1) above the reference to enjoying facilities or benefits for entertainment or recreational purposes includes a reference to enjoying them in the course of any leisure activity.
- (5) In this section—
- “subsistence” includes food and drink and temporary living accommodation; and
 - “training materials” means stationery, books or other written material, audio or video tapes, compact disks or floppy disks.

200G Section 200E: exclusion of expenditure if contributions not generally available to staff

- (1) Section 200E shall not apply to any expenditure incurred in respect of—
- (a) the costs of any education or training provided to the employee, or
 - (b) any related costs,
- unless the expenditure is incurred in giving effect to fair-opportunity arrangements that were in place at the time when the employer agreed to incur the expenditure.
- In this subsection “related costs”, in relation to any education or training provided to the employee, has the meaning given by section 200E(3).
- (2) For the purposes of subsection (1) above “fair-opportunity arrangements” are in place at any time if at that time arrangements are in place that provide—

Status: This is the original version (as it was originally enacted).

- (a) for the making of contributions by the employer to costs arising from qualifying education or training being undertaken by persons who hold, or have held, an office or employment under the employer, and
- (b) for such contributions to be generally available, on similar terms, to the persons who at that time hold an office or employment under the employer.

In this subsection “qualifying education or training” has the same meaning as in section 200E.

- (3) The Treasury may by regulations make provision specifying the persons or other entities under whom Crown servants are to be treated for the purposes of this section as holding office or employment; and such regulations may—
 - (a) deem a description of Crown servants (or two or more such descriptions taken together) to be an entity for the purposes of the regulations;
 - (b) make different provision for different descriptions of Crown servants.

In this subsection “Crown servant” means a person holding an office or employment under the Crown.

200H Section 200E: exclusion of expenditure otherwise relieved

Section 200E does not apply to expenditure to the extent that—

- (a) section 200B (expenditure on work-related training) applies to it, or
- (b) section 588(1) (expenditure on retraining courses) has effect in respect of it.

200J Education or training funded by third parties

- (1) This section applies where—
 - (a) any person (“the employee”) who holds, or has at any time held, an office or employment under another (“the employer”) is provided by reason of that office or employment with any benefit,
 - (b) that benefit consists in any qualifying education or training or is provided in connection with any such education or training, and
 - (c) the amount which (apart from this section and sections 200E to 200H) would be included in respect of that benefit in the emoluments of the employee (“the chargeable amount”) is or includes an amount that does not represent expenditure incurred by the employer.
- (2) For the purposes of Schedule E, the questions whether and to what extent those emoluments shall be taken to include an amount in respect of that benefit shall be determined in accordance with sections 200E to 200H as if the benefit had been provided by means of a payment by the employer of an amount equal to the whole of the chargeable amount.
- (3) In this section “qualifying education or training” has the same meaning as in section 200E.”.

- (2) In section 200A(3)(b) of that Act (definition of a qualifying absence from home), at the end of sub-paragraph (iv) insert “, or

Status: This is the original version (as it was originally enacted).

- (v) expenses the amount of which, having been paid or reimbursed by the person under whom he holds that office or employment, is excluded from his emoluments in pursuance of section 200E, or
- (vi) expenses the amount of which would be so excluded if it were so paid or reimbursed.”.

(3) This section applies for the year 2000-01 and subsequent years of assessment.

59 Cars available for private use

Schedule 11 to this Act (which makes provision in relation to the taxation of cars available for private use) has effect for the year 2002-03 and subsequent years of assessment.

60 Provision of services through intermediary

Schedule 12 to this Act has effect with respect to the provision of services through an intermediary.