



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 10 U.K.

SOCIAL SECURITY INCOME

CHAPTER 2 U.K.

TAX ON SOCIAL SECURITY INCOME

656 Nature of charge to tax on social security income U.K.

- (1) The charge to tax on social security income is a charge to tax on that income excluding any exempt income.
- (2) “Exempt income” is social security income on which no liability to income tax arises as a result of any provision of Chapter 4, 5 or 7 of this Part.

This definition applies for the purposes of this Part.

657 Meaning of “social security income”, “taxable benefits” etc. U.K.

- (1) This section defines—
 - “social security income” for the purposes of the Tax Acts, and
 - “taxable benefits”, “Table A” and “Table B” for the purposes of this Part.
- (2) “Social security income” means—
 - (a) the United Kingdom social security benefits listed in Table A,
 - (b) the United Kingdom social security benefits listed in Table B,
 - (c) the foreign benefits to which section 678 applies, and
 - (d) the foreign benefits to which section 681(2) applies.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Chapter 2 is up to date with all changes known to be in force on or before 12 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

- (3) “Taxable benefits” means—
- (a) the United Kingdom social security benefits listed in Table A, and
 - (b) the foreign benefits to which section 678 applies.
- (4) Subsections (2) and (3) are subject to section 660(2).
- (5) “Table A” means Table A in section 660.
- (6) “Table B” means Table B in section 677.

658 Amount charged to tax **U.K.**

- (1) The amount of social security income which is charged to tax under this Part for a particular tax year is as follows.
- (2) In relation to a taxable benefit, the amount charged to tax is the net taxable social security income for the tax year.
- (3) The net taxable social security income for a taxable benefit for a tax year is given by the formula—

TSSI- PGD

where—

TSSI means the amount of taxable social security income for that benefit for that year (see subsections (4) to (7)), and

PGD means the amount of the deduction (if any) allowed from the benefit under Part 12 (payroll giving).

- (4) In relation to bereavement allowance, carer’s allowance, [^{F1}carer's allowance supplement,][^{F2}carer support payment,][^{F3}contributory employment and support allowance,] incapacity benefit [^{F4}income support, welfare supplementary payments payable pursuant to the loss of contributory employment and support allowance and welfare supplementary payments payable pursuant to the loss of, or a reduction in the amount payable of, income support] (which are listed in Table A), the amount of taxable social security income is determined in accordance with section 661.
- (5) In relation to any other benefit listed in Table A, the amount of taxable social security income is the amount of the benefit that falls to be charged to tax.
- (6) In relation to foreign benefits to which section 678 applies, the amount of taxable social security income is determined in accordance with section 679.
- (7) In determining for the purposes of this Act the amount of taxable social security income, any exempt income is to be excluded.

Textual Amendments

F1 Words in s. 658(4) inserted (12.2.2019) by Finance Act 2019 (c. 1), s. 12(3)

F2 Words in s. 658(4) inserted (19.11.2023) by The Income Tax (Tax Treatment of Carer Support Payment and Exemption of Social Security Benefits) Regulations 2023 (S.I. 2023/1148), regs. 1(1), 2(2)

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- F3** Words in s. 658(4) inserted (18.3.2008 for specified purposes, 27.10.2008 in so far as not already in force) by [Welfare Reform Act 2007 \(c. 5\)](#), s. 70(2), [Sch. 3 para. 24\(2\)](#); S.I. 2008/787, art. 2(1)(4)(f), [Sch.](#)
- F4** Words in s. 658(4) substituted (with effect in accordance with reg. 2 of the amending S.I.) by [The Taxation of Northern Ireland Welfare Supplementary Payments Regulations 2017 \(S.I. 2017/338\)](#), regs. 1, 4

659 Person liable for tax **U.K.**

The person liable for any tax charged under this Part is identified in—

- (a) section 662 (UK benefits), or
- (b) section 680 (foreign benefits).

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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\(4\)](#)