



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 4

EMPLOYMENT INCOME: EXEMPTIONS

CHAPTER 8

EXEMPTIONS: SPECIAL KINDS OF EMPLOYEES

Ministers of religion

290 Accommodation benefits of ministers of religion

- (1) No liability to income tax in respect of a person employed as a full-time minister arises by virtue of—
 - (a) the payment or reimbursement of a statutory amount payable in connection with qualifying premises, or
 - (b) the reimbursement of a statutory deduction made in connection with qualifying premises.
- (2) No liability to income tax in respect of a person employed as a full-time minister arises by virtue of the payment or reimbursement of expenses incurred in connection with providing living accommodation in qualifying premises if the employment is excluded employment.
- (3) Subsection (1) does not apply if or to the extent that the amount or deduction is properly attributable to a part of the premises for which the minister receives rent.
- (4) Premises are qualifying premises in relation to a person employed as a minister if—
 - (a) an interest in them belongs to a charity or an ecclesiastical corporation, and

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- (b) because of that interest and by reason of holding the employment, the minister has a residence in them from which to perform the duties of the employment.
- (5) In this section—
- “charity” means a body of persons or trust established for charitable purposes only,
 - “full-time minister” means a person in full-time employment as a minister of a religious denomination,
 - “statutory amount” means an amount paid in pursuance of a provision in, or having the force of, an Act, and
 - “statutory deduction” means a deduction made in pursuance of such a provision.

MPs, government ministers etc.

291 Termination payments to MPs and others ceasing to hold office

- (1) No liability to income tax in respect of earnings arises by virtue of any grant or payment to which this section applies (but see Chapter 3 of Part 6: payments and benefits on termination of employment etc.).
- (2) This section applies to grants and payments—
- (a) made in accordance with a resolution of the House of Commons to a person ceasing to be a Member of that House on a dissolution of Parliament,
 - (b) made under section 4 of the Ministerial and other Pensions and Salaries Act 1991 (c. 5) (grants to persons ceasing to hold certain ministerial and other offices),
 - (c) made under section 3 of the European Parliament (Pay and Pensions) Act 1979 (c. 50) (resettlement grants for persons ceasing to be Representatives),
 - (d) made under section 81(3) of the Scotland Act 1998 (c. 46) to a person—
 - (i) ceasing to be a member of the Scottish Parliament on its dissolution, or
 - (ii) ceasing to hold an office corresponding to a relevant office,
 - (e) made under section 18(1) of the Government of Wales Act 1998 (c. 38) to a person ceasing to be a member of the National Assembly for Wales on the expiry of the member’s term of office, or
 - (f) made under section 48(1) of the Northern Ireland Act 1998 (c. 47) to a person—
 - (i) ceasing to be a member of the Northern Ireland Assembly on its dissolution, or
 - (ii) ceasing to hold an office corresponding to a relevant office.
- (3) In this section “a relevant office” has the same meaning as in section 4 of the Ministerial and other Pensions and Salaries Act 1991.

292 Overnight expenses allowances of MPs

- (1) No liability to income tax arises in respect of an overnight expenses allowance paid to a Member of the House of Commons in accordance with a resolution of that House.

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- (2) “Overnight expenses allowance” means an allowance expressed to be in respect of additional expenses necessarily incurred by the Member in staying overnight away from the Member’s only or main residence, for the purpose of performing parliamentary duties—
- (a) in the London area, as defined in such a resolution, or
 - (b) in the Member’s constituency.

293 Overnight expenses of other elected representatives

- (1) No liability to income tax arises in respect of a payment to which this section applies if it is expressed to be made in respect of a member’s necessary overnight expenses.
- (2) This section applies to payments—
- (a) made to members of the Scottish Parliament under section 81(2) of the Scotland Act 1998 (c. 46),
 - (b) made to members of the National Assembly for Wales under section 16(2) of the Government of Wales Act 1998 (c. 38), or
 - (c) made to members of the Northern Ireland Assembly under section 47(2) of the Northern Ireland Act 1998 (c. 47).
- (3) In this section “a member’s necessary overnight expenses” means additional expenses necessarily incurred by a member for the purpose of performing duties as a member in staying overnight away from the member’s only or main residence—
- (a) in the area in which the Parliament or Assembly to which the member belongs sits, or
 - (b) in the constituency or region which the member represents.

294 [F¹European] travel expenses of MPs and other representatives

- (1) No liability to income tax arises in respect of a sum that is—
- (a) paid to a Member of the House of Commons in accordance with a resolution of that House providing for Members of that House to be reimbursed [F²European] travel expenses, or
 - (b) paid to a member of—
 - (i) the Scottish Parliament under section 81(2) of the Scotland Act 1998,
 - (ii) the National Assembly for Wales under section 16(2) of the Government of Wales Act 1998, or
 - (iii) the Northern Ireland Assembly under section 47(2) of the Northern Ireland Act 1998,and expressed to be made in respect of [F²European] travel expenses.
- [F³(2) “European travel expenses” means the cost of, and any additional expenses incurred in, travelling between the United Kingdom and a relevant European location.
- (3) “Relevant European location” means—
- (a) a European Union institution or agency, or
 - (b) the national parliament of—
 - (i) another member State,
 - (ii) a candidate or applicant country, or
 - (iii) a member State of the European Free Trade Association.

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- (4) The Treasury may by order amend subsection (3) by—
- (a) adding a European location,
 - (b) removing a European location, or
 - (c) varying the description of a European location.]

Textual Amendments

- F1** Word in s. 294 heading substituted (with effect in accordance with s. 82(5) of the amending Act) by [Finance Act 2004 \(c. 12\), s. 82\(4\)](#)
- F2** Words in s. 294(1) substituted (with effect in accordance with s. 82(5) of the amending Act) by [Finance Act 2004 \(c. 12\), s. 82\(2\)](#)
- F3** S. 294(2)-(4) substituted (with effect in accordance with s. 82(5) of the amending Act) by [Finance Act 2004 \(c. 12\), s. 82\(3\)](#)

295 Transport and subsistence for Government ministers etc.

- (1) No liability to income tax arises in respect of the provision of transport or subsistence provided or made available by or on behalf of the Crown to—
- (a) the holder of a ministerial office, or
 - (b) a member of the family or household of the holder of a ministerial office.
- (2) No liability to income tax arises in respect of payments and reimbursements by or on behalf of the Crown of expenses incurred in connection with the provision of transport or subsistence to a person within subsection (1).
- (3) “Ministerial office” means—
- (a) an office in Her Majesty’s Government in the United Kingdom,
 - (b) any other office which is one of the offices and positions in respect of which salaries are payable under section 1 of the Ministerial and other Salaries Act 1975 (c. 27), and
 - (c) an office under one of the following Acts which corresponds to an office within paragraph (a) or (b)—
 - (i) the Scotland Act 1998 (c. 46),
 - (ii) the Government of Wales Act 1998 (c. 38), or
 - (iii) the Northern Ireland Act 1998 (c. 47).
- (4) In determining whether a particular person holds an office within subsection (3)(b), it is irrelevant whether or not a salary is paid or payable to that person under the Ministerial and other Salaries Act 1975.
- (5) In this section references to the provision of transport to a person include references to—
- (a) the provision or making available to that person of a vehicle with or without a driver,
 - (b) the provision of fuel for a vehicle provided or made available to that person, and
 - (c) the provision of any other benefit in connection with such a vehicle.
- (6) In this section—

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- (a) “subsistence” includes food and drink and temporary living accommodation, and
- (b) “vehicle” means a mechanically propelled road vehicle.

Armed forces

296 Armed forces' leave travel facilities

- (1) No liability to income tax arises in respect of—
 - (a) the provision of travel facilities for a member of the armed forces of the Crown going on or returning from leave, or
 - (b) a payment made in respect of such travel.
- (2) In subsection (1) “travel facilities” does not include a vehicle.

297 Armed forces' food, drink and mess allowances

- (1) No liability to income tax arises in respect of allowances if—
 - (a) they are payable out of the public revenue to any description of members of the armed forces of the Crown, and
 - (b) the Treasury certifies that they are payable to them instead of food or drink normally supplied to members of the armed forces.
- (2) No liability to income tax arises in respect of allowances if—
 - (a) they are payable out of the public revenue in respect of any description of members of the armed forces of the Crown, and
 - (b) the Treasury certifies that they are so payable as a contribution to the expenses of a mess.

298 Reserve and auxiliary forces' training allowances

No liability to income tax arises in respect of the following sums if they are payable out of the public revenue to members of the reserve and auxiliary forces of the Crown—

- (a) training expenses allowances, and
- (b) bounties payable in consideration of the members undertaking certain training and attaining a particular standard of efficiency.

Crown employees

299 Crown employees' foreign service allowances

- (1) No liability to income tax arises in respect of an allowance paid to a person in employment under the Crown if it is certified to represent compensation for the extra cost of being obliged to live outside the United Kingdom in order to perform the duties of the employment.
- (2) A certificate under subsection (1) may only be given by—
 - (a) the Treasury,
 - (b) the Secretary of State,
 - (c) the Lord Chancellor,

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- (d) the Chancellor of the Exchequer,
- (e) the Minister for the Civil Service,
- (f) the Lord President of the Council,
- (g) the Lord Privy Seal, or
- (h) the Attorney General.

Consuls, foreign agents etc.

300 Consuls

- (1) No liability to income tax arises in respect of income arising from the office of a consul in the United Kingdom in the service of a foreign state.
- (2) Such income is also to be disregarded in estimating the amount of income for any income tax purposes.
- (3) In this section “consul” means a person recognised by Her Majesty as being a consul-general, consul, vice-consul or consular agent.

301 Official agents

- (1) No liability to income tax arises in respect of income arising from employment as an official agent in the United Kingdom for a foreign state if conditions A and B are met.
- (2) Condition A is that the employee is neither—
 - (a) a Commonwealth citizen, nor
 - (b) a citizen of the Republic of Ireland.
- (3) Condition B is that the functions of the employment are not exercised in connection with a trade, business or other undertaking carried on for the purposes of profit.
- (4) Such income is also to be disregarded in estimating the amount of income for any income tax purposes.
- (5) In this section “official agent” means a person who is not a consul (as defined in section 300) but is employed on the staff of—
 - (a) a consulate, or
 - (b) an official department or agency of a foreign state.
- (6) Subsection (5)(b) does not apply to a department or agency which carries on a trade, business or other undertaking for the purposes of profit.

302 Consular employees

- (1) No liability to income tax arises in respect of income arising from employment in the United Kingdom as a consular employee for a foreign state if—
 - (a) Her Majesty by Order in Council directs that this section applies to the foreign state for the purpose of giving effect to a reciprocal arrangement with that state, and
 - (b) condition A or B is met.
- (2) Condition A is that the employee is a national of the foreign state.

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- (3) Condition B is that the employee is not a British citizen, a British overseas territories citizen, a British National (Overseas) or a British Overseas citizen.
- (4) In this section—
 - “consular employee” includes any person employed for the purposes of the official business of a consular officer at—
 - (a) any consulate,
 - (b) any consular establishment, or
 - (c) any other premises used for those purposes, and
 - “reciprocal arrangement” means a consular convention or other arrangement with a foreign state, making similar provision to that made by this section [F4, sections 646A and 681A of this Act and section 771 of ITTOIA 2005 (relevant foreign income of consular officers and employees)] in the case of Her Majesty’s consular officers or employees in that state.
- (5) An Order in Council under subsection (1) may limit the operation of this section in relation to a state in any way appearing to Her Majesty necessary or expedient having regard to the arrangement with the state.
- (6) Such an Order—
 - (a) may be made so as to have effect from a date earlier than that on which it is made, but not earlier than the arrangement in question comes into force, and
 - (b) may contain such transitional provisions as appear to Her Majesty necessary or expedient.
- (7) A statutory instrument containing such an Order is subject to annulment in pursuance of a resolution of the House of Commons.
- (8) This section does not affect section 301 (official agents).

Textual Amendments

- F4** Words in s. 302(4) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 591](#) (with [Sch. 2](#))

Visiting forces and staff of designated allied headquarters

303 Visiting forces and staff of designated allied headquarters

- (1) No liability to income tax arises in respect of earnings if—
 - (a) they are paid by the government of a designated country to a member of a visiting force of that country or of a civilian component of such a force, and
 - (b) that person is not a British citizen, a British overseas territories citizen, a British National (Overseas) or a British Overseas citizen.
- (2) For the purposes of subsection (1)—
 - (a) members of the armed forces of a designated country who are attached to a designated allied headquarters are treated as a visiting force of that country, and
 - (b) whether a person is a member of a civilian component of such a force is to be determined accordingly.

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- (3) No liability to income tax arises in respect of earnings if they are paid by a designated allied headquarters to an employee of a category for the time being agreed between Her Majesty's government in the United Kingdom and the other members of the North Atlantic Council.
- (4) But where the employee is a British citizen, a British overseas territories citizen, a British National (Overseas) or a British Overseas citizen, subsection (3) only applies if it is necessary for it to do so to give effect to an agreement between parties to the North Atlantic Treaty.
- (5) Subsections (1) and (2) are to be interpreted as if—
 - (a) they were in Part 1 of the Visiting Forces Act 1952 (c. 67), and
 - (b) references in that Act to a country to which a provision of that Act applies were references to a designated country.
- (6) In this section—
 - “allied headquarters” means an international military headquarters established under the North Atlantic Treaty, and
 - “designated” means designated for the purpose in question by or under an Order in Council made for giving effect to an international agreement.

Detached national experts

304 Experts seconded to European Commission

- (1) No liability to income tax arises in respect of daily subsistence allowances paid by the European Commission to persons whose services are made available to the Commission by their employers under the detached national experts scheme.
- (2) “The detached national experts scheme” means—
 - (a) the scheme relating to national experts seconded to the European Commission which was established by the Commission on 26th July 1988, as it has effect for the time being, or
 - (b) any scheme having effect for the time being which replaces that scheme.

Offshore oil and gas workers

305 Offshore oil and gas workers: mainland transfers

- (1) No liability to income tax arises in respect of—
 - (a) the provision for an employee who has a permanent workplace at an offshore installation of—
 - (i) transfer transport,
 - (ii) related accommodation and subsistence, or
 - (iii) local transport, or
 - (b) the payment or reimbursement of reasonable expenses incurred by such an employee on such transport or accommodation and subsistence.
- (2) Subsection (1)(a)(ii) only applies if the related accommodation and subsistence is provided at reasonable cost.

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- (3) In this section “transfer transport” means transport by sea or air between the mainland of Great Britain or Northern Ireland and the offshore installation, which meets conditions A and B.
- (4) Condition A is that the place of arrival or departure on the mainland is one to or from which transport between the mainland and the offshore installation is provided for employees generally.
- (5) Condition B is that the cost of the transport would not be deductible under Part 5 if the employee incurred and paid it.
- (6) In this section—
 - “related accommodation and subsistence” means overnight accommodation and subsistence in the vicinity of the place of departure or arrival on the mainland, which is necessary because of the time at which transfer transport is to be taken,
 - “local transport” means transport between a place where the employee is provided with related accommodation and subsistence and the place of departure or arrival on the mainland,
^{F5}
 - “workplace” and “permanent workplace” have the meaning given by section 339.

Textual Amendments

- F5** Words in s. 305(6) repealed (with effect in accordance with Sch. 27 para. 16 of the amending Act) by Finance Act 2004 (c. 12), Sch. 27 para. 13, **Sch. 42 Pt. 2(19)**

Miners etc.

306 Miners etc: coal and allowances in lieu of coal

- (1) No liability to income tax arises in respect of the provision of coal or smokeless fuel or an allowance paid in lieu of such provision if the employee is a colliery worker and the condition in subsection (2) is met.
- (2) That condition is that the amount of coal or fuel provided or in respect of which the allowance is paid does not substantially exceed the amount reasonably required for personal use.
- (3) That condition is assumed to be met unless the contrary is shown.
- (4) In this section “colliery worker” means a coal miner or any other person employed at or about a colliery otherwise than in clerical, administrative or technical work.

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