



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 7

[^{F1}EMPLOYMENT INCOME: INCOME AND EXEMPTIONS RELATING TO SECURITIES]

CHAPTER 6

APPROVED SHARE INCENTIVE PLANS

Tax advantages connected with award of shares

490 No charge on award or acquisition of shares: general

- (1) This section applies—
- (a) on the award to an employee of free, matching or partnership shares under the plan, or
 - (b) on the acquisition on behalf of an employee of dividend shares under the plan.
- (2) The employee is not liable to income tax on the value of the beneficial interest in the shares that passes to the employee at the time of the award or acquisition.

^{F1}**491 No charge on award of shares as taxable benefit**

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Textual Amendments

- F1** S. 491 repealed (with effect in accordance with Sch. 22 para. 26(2) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), Sch. 22 para. 26(1), [Sch. 43 Pt. 3\(4\)](#)

Status: Point in time view as at 06/04/2005.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Cross Heading: Tax advantages connected with award of shares is up to date with all changes known to be in force on or before 15 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)

492 No charge on partnership share money deducted from salary

- (1) An employee is not liable to income tax under Part 2 on any amount of the employee’s salary which is deducted as partnership share money under a partnership share agreement.
- (2) But the deduction of partnership share money is to be disregarded for the purpose of ascertaining—
 - (a) the amount of the employee’s remuneration for the purposes of Chapter 1 of Part 14 of ICTA (retirement benefit schemes), or
 - (b) the amount of the employee’s relevant earnings for the purposes of Chapter 3 or 4 of that Part of that Act (retirement annuities or personal pension schemes).

493 No charge on acquisition of dividend shares

^{F2}(1)

^{F2}(2)

- (3) Section 234A(4) of ICTA (information relating to distributions to be provided by nominee) does not apply to any amount applied by the trustees in acquiring dividend shares on behalf of a participant.

[^{F3}(3A) For the exemption of such amounts from income tax, see section 770 of ITTOIA 2005 (amounts applied by SIP trustees acquiring dividend shares or retained for reinvestment).]

^{F4}(4)

- (5) Subsection (3) is subject to paragraph 80(4)(c) of Schedule 2 (information required where dividend shares cease to be subject to plan).

Textual Amendments	
F2	S. 493(1)(2) repealed (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), Sch. 1 para. 600(2), Sch. 3 (with Sch. 2)
F3	S. 493(3A) inserted (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), Sch. 1 para. 600(3) (with Sch. 2)
F4	S. 493(4) repealed (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), Sch. 1 para. 600(2), Sch. 3 (with Sch. 2)

Status:

Point in time view as at 06/04/2005.

Changes to legislation:

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