



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 3

EMPLOYMENT INCOME: EARNINGS AND BENEFITS ETC. TREATED AS EARNINGS

CHAPTER 12

[^{F1}OTHER AMOUNTS] TREATED AS EARNINGS

[^{F1}Shares of employee shareholders

[^{F1}226C Only one payment deemed to be made under associated agreements

- (1) An employee who is treated as having made a payment under section 226B for shares acquired in consideration of an employee shareholder agreement (“the relevant agreement”) is not to be treated as having made a payment for any other qualifying shares.
- (2) “Qualifying shares” means employee shareholder shares in—
 - (a) the employer company in relation to the relevant agreement, or
 - (b) an associated company of that company,which are acquired by the employee in consideration of an agreement within subsection (3).
- (3) An agreement is within this subsection if it is—
 - (a) another employee shareholder agreement with the same employer company, or
 - (b) an employee shareholder agreement with an associated company of that company.

Status: Point in time view as at 06/04/2014. This version of this provision has been superseded.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Section 226C is up to date with all changes known to be in force on or before 27 July 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)

- (4) For the purposes of this section—
- (a) a company is an “associated company” of another if—
 - (i) one of the two has control of the other, or
 - (ii) both are under the control of the same person or persons, and
 - (b) if a company controls another when an employee shareholder agreement is entered into with the employee, paragraph (a) applies as if that continued to be the case (in addition to any other circumstances) when any subsequent employee shareholder agreement is entered into with that employee.
- (5) But subsection (4)(b) does not apply as between two companies if—
- (a) one of the companies has been dissolved,
 - (b) the period of two years beginning with the date of the dissolution has passed, and
 - (c) the employee has not, at any time in that period, been engaged in any office or employment (including engagement under a contract for services) with any company which is an associated company of the dissolved company.
- (6) In this section “control” is to be read in accordance with sections 450 and 451 of CTA 2010.]

Textual Amendments

- F1** Ss. 226A-226D and cross-heading inserted (1.9.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 23 paras. 3, 38](#); [S.I. 2013/1755](#), [art. 2](#)

Status:

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