



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 2

EMPLOYMENT INCOME: CHARGE TO TAX

CHAPTER 5

[^{F1}TAXABLE EARNINGS: REMITTANCE BASIS RULES AND RULES FOR NON-UK RESIDENT EMPLOYEES]

[^{F1}Remittance basis rules for ^{F1}employees outside section 26]]

24 Limit on chargeable overseas earnings where duties of associated employment performed in UK

- (1) This section imposes a limit on how much of an employee's general earnings are chargeable overseas earnings for a tax year under section 23 if—
 - (a) in that year the employee holds associated employments as well as the employment to which subsection (2) of that section applies (“the relevant employment”), and
 - (b) the duties of the associated employments are not performed wholly outside the United Kingdom.
- (2) The limit is the proportion of the aggregate earnings for that year from all the employments concerned that is reasonable having regard to—
 - (a) the nature of and time devoted to each of the following—
 - (i) the duties performed outside the United Kingdom, and
 - (ii) those performed in the United Kingdom, and
 - (b) all other relevant circumstances.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Section 24 is up to date with all changes known to be in force on or before 21 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

[^{F1}(2A) If the tax year is a split year as respects the employee, subsection (2) has effect as if for “the aggregate earnings for that year from all the employments concerned” there were substituted “so much of the aggregate earnings for that year from all the employments concerned as is attributable to the UK part of that year”.]

(3) For the purposes of subsection (2) “the aggregate earnings for a year from all the employments concerned” means the amount produced by aggregating the full amount of earnings from each of those employments for the year mentioned in subsection (1) so far as remaining after subtracting any amounts of the kind mentioned in step 2 in section 23(3).

[^{F2}(3A) Any attribution required for the purposes of subsection (2A) is to be done on a just and reasonable basis.]

(4) In this section—

- (a) “the employments concerned” means the relevant employment and the associated employments;
- (b) “associated employments” means employments with the same employer or with associated employers.

(5) The following rules apply to determine whether employers are associated—

Rule A

An individual is associated with a partnership or company if that individual has control of the partnership or company.

Rule B

A partnership is associated with another partnership or with a company if one has control of the other or both are under the control of the same person or persons.

Rule C

A company is associated with another company if one has control of the other or both are under the control of the same person or persons.

(6) In subsection (5)—

- (a) in rules A and B “control” has the meaning given by [^{F3}section 995 of ITA 2007] (in accordance with section 719 of this Act), and
- (b) in rule C “control” means control within the meaning [^{F4}given by sections 450 and 451 of CTA 2010] (meaning of expressions relating to close companies).

(7) If an amount of chargeable overseas earnings is reduced under step 3 in section 23(3) as a result of applying any limit imposed by this section, the amount of general earnings corresponding to the reduction remains an amount of general earnings within [^{F5}section 15(1)].

Textual Amendments

- F1** S. 24(2A) inserted (with effect in accordance with Sch. 45 para. 153(2) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 45 para. 61\(2\)](#)
- F2** S. 24(3A) inserted (with effect in accordance with Sch. 45 para. 153(2) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 45 para. 61\(3\)](#)

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- F3** Words in s. 24(6)(a) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\), Sch. 1 para. 428](#) (with [Sch. 2](#))
- F4** Words in s. 24(6)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 379](#) (with [Sch. 2](#))
- F5** Words in s. 24(7) substituted (with effect in accordance with Sch. 7 para. 81 of the amending Act) by [Finance Act 2008 \(c. 9\), Sch. 7 para. 16](#)

Changes to legislation:

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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\(4\)](#)