



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

PART 6

EMPLOYMENT INCOME: INCOME WHICH IS NOT EARNINGS OR SHARE-RELATED

CHAPTER 2

BENEFITS FROM ^[F1]EMPLOYER-FINANCED RETIREMENT BENEFITS]

Benefits treated as employment income

^[F1]393B Relevant benefits

- (1) In this Chapter “relevant benefits” means any lump sum, gratuity or other benefit (including a non-cash benefit) provided (or to be provided)—
 - (a) on or in anticipation of the retirement of an employee or former employee,
 - (b) on the death of an employee or former employee,
 - (c) after the retirement or death of an employee or former employee in connection with past service,
 - (d) on or in anticipation of, or in connection with, any change in the nature of service of an employee, or
 - (e) to any person by virtue of a pension sharing order or provision relating to an employee or former employee.
- (2) But—
 - (a) benefits charged to tax under Part 9 (pension income) ^[F2], or that would be charged to tax under that Part but for section 573(2A) or (2B), 646D or 646E^[F3] or any deductions under section 574A(3)] ,

Changes to legislation: *Income Tax (Earnings and Pensions) Act 2003, Section 393B is up to date with all changes known to be in force on or before 22 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*

- (b) benefits chargeable to tax by virtue of Schedule 34 to FA 2004 (which applies certain charges under Part 4 of that Act in relation to non-UK schemes), and
 - (c) excluded benefits,
- are not relevant benefits.

(3) The following are “excluded benefits”—

- (a) benefits in respect of ill-health or disablement of an employee during service,
- (b) benefits in respect of the death by accident of an employee during service,
- (c) benefits under a relevant life policy, and
- (d) benefits of any description prescribed by regulations made by the Board of Inland Revenue.

(4) In subsection (3)(c) “relevant life policy” means—

- [^{F4}(a) an excepted group life policy as defined in section 480 of ITTOIA 2005,]
- (b) a policy of life insurance the terms of which provide for the payment of benefits on the death of a single individual and with respect to which [^{F5}—
 - (i) condition A in section 481 of that Act would be met if paragraph (a) in that condition referred to the death, in any circumstances or except in specified circumstances, of that individual (rather than the death in any circumstances of each of the individuals insured under the policy) and if the condition did not include paragraph (b), and
 - (ii) conditions C and D in that section and conditions A and C in section 482 of that Act are met, or]
- (c) a policy of life insurance that would be within paragraph (a) or (b) but for the fact that it provides for a benefit which is an excluded benefit under or by virtue of paragraph (a), (b) or (d) of subsection (3).

[Regulations under subsection (3)(d) may include provision having effect in relation ^{F6}(4A) to times before they are made.]

(5) In subsection (1)(e) “pension sharing order or provision” means any such order or provision as is mentioned in section 28(1) of WRPA 1999 or Article 25(1) of WRP(NI)O 1999.]

Textual Amendments

- F1** Ss. 393-393B substituted for s. 393 (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **ss. 249(3)**, 284(1) (with [Sch. 36](#))
- F2** Words in s. 393B(2)(a) inserted (26.3.2015) by [Finance Act 2015 \(c. 11\)](#), **Sch. 4 para. 18**
- F3** Words in s. 393B(2)(a) inserted (with effect in accordance with Sch. 3 para. 13(2) of the amending Act) by [Finance Act 2017 \(c. 10\)](#), **Sch. 3 para. 13(1)**
- F4** S. 393B(4)(a) substituted by 2004 c. 12, s. 249(3) (as amended (6.4.2006) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), **Sch. 1 para. 651(2)(a)**, Sch. 2 para. 161 (with Sch. 2))
- F5** Words in s. 393B(4)(b) substituted by 2004 c. 12, s. 249(3) (as amended (6.4.2006) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), **Sch. 1 para. 651(2)(b)**, Sch. 2 para. 161 (with Sch. 2))
- F6** S. 393B(4A) inserted (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), **Sch. 20 paras. 21**, 24(3)

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\(4\)](#)