



# Income Tax (Earnings and Pensions) Act 2003

## 2003 CHAPTER 1

### PART 7

[<sup>F1</sup>EMPLOYMENT INCOME: INCOME AND EXEMPTIONS RELATING TO SECURITIES]

### CHAPTER 7

<sup>F1</sup>... SAYE OPTION SCHEMES

#### *Introduction*

#### 516 <sup>F1</sup>... SAYE option schemes

(1) This Chapter provides—

<sup>F2</sup>(a) .....

(b) for exemptions from income tax in connection with share options granted under [<sup>F3</sup>SAYE option schemes which are Schedule 3 SAYE option] schemes.

<sup>F4</sup>(2) .....

(3) The provisions of—

(a) this and the following sections of this Chapter,

(b) Schedule 3, and

(c) Part 2 of Schedule 7D to TCGA 1992 ([<sup>F5</sup>Schedule 3] SAYE option schemes: amount of consideration on exercise of option),

together constitute “the SAYE code”.

(4) In the SAYE code—

<sup>F6</sup>...

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**Changes to legislation:** *Income Tax (Earnings and Pensions) Act 2003, Section 516 is up to date with all changes known to be in force on or before 23 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*

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“SAYE option scheme” means a scheme (commonly referred to as an SAYE share option scheme) which is established by a company and provides—

- (a) for share options to be granted to employees and directors, and
- (b) for the shares acquired by the exercise of the share options to be paid for in the way mentioned in paragraph 24 of Schedule 3 (payments for shares to be linked to [<sup>F7</sup>approved savings arrangements]);

[<sup>F8</sup>“Schedule 3 SAYE option scheme” is to be read in accordance with paragraph 1 and Part 8 of Schedule 3;]

“share option” means a right to acquire shares in a company;

“shares” includes stock.

- (5) Other expressions used in the SAYE code and contained in the index at the end of Schedule 3 have the meaning indicated by the index.

#### **Textual Amendments**

- F1** Word in s. 516 heading omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 99(2)**, 146 (with [Sch. 8 paras. 147-157](#))
- F2** S. 516(1)(a) and word omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 99(3)(a)**, 146 (with [Sch. 8 paras. 147-157](#))
- F3** Words in s. 516(1)(b) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 99(3)(b)**, 146 (with [Sch. 8 paras. 147-157](#))
- F4** S. 516(2) omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 99(4)**, 146 (with [Sch. 8 paras. 147-157](#))
- F5** Words in s. 516(3)(c) substituted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 99(5)**, 146 (with [Sch. 8 paras. 147-157](#))
- F6** Words in s. 516(4) omitted (6.4.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 99(6)(a)**, 146 (with [Sch. 8 paras. 147-157](#))
- F7** Words in s. 516(4) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), **Sch. 1 para. 605** (with [Sch. 2](#))
- F8** Words in s. 516(4) inserted (6.4.2014) by [Finance Act 2014 \(c. 26\)](#), **Sch. 8 paras. 99(6)(b)**, 146 (with [Sch. 8 paras. 147-157](#))

**Changes to legislation:**

Income Tax (Earnings and Pensions) Act 2003, Section 516 is up to date with all changes known to be in force on or before 23 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.

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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\(4\)](#)