



Income Tax (Earnings and Pensions) Act 2003

2003 CHAPTER 1

[^{F1}PART 7A

EMPLOYMENT INCOME PROVIDED THROUGH THIRD PARTIES

CHAPTER 2

TREATMENT OF RELEVANT STEP FOR INCOME TAX PURPOSES

Employment income

[^{F1}554Z6] **Overlap with certain earnings**

- (1) This section applies if the relevant step gives rise to relevant earnings of A from A's employment with B—
 - (a) which are, in accordance with section 16 and (if applicable) section 17, “for” a tax year in which A is UK resident [^{F2}(and, in the case of a tax year that is a split year as respects A, are not “excluded” by virtue of section 15(1A) (a) and (b)(i))], or
 - (b) which are, in accordance with section 29 and (if applicable) section 30, “for” a tax year in which A is non-UK resident but which are in respect of duties performed in the United Kingdom for the purposes of section 27(1)(a).
- (2) The value of the relevant step (after any reductions under section 554Z4 or 554Z5) is reduced (but not below nil) by the amount of the relevant earnings.
- (3) For the purposes of this section the following are “relevant” earnings—
 - (a) earnings within Chapter 1 of Part 3,
 - (b) amounts treated as earnings under Chapter 12 of Part 3, and

Changes to legislation: *Income Tax (Earnings and Pensions) Act 2003, Section 554Z6 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*

- (c) a deemed employment payment under section 50 or any part of such a payment.
- (4) But anything which is exempt income, or which falls within Chapter 3 of Part 4 of ITTOIA 2005, is not “relevant”.]

Textual Amendments

- F1** Pt. 7A inserted (with effect in accordance with Sch. 2 paras. 52-59 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 2 para. 1](#)
- F2** Words in s. 554Z6(1)(a) inserted (with effect in accordance with Sch. 45 para. 153(2) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 45 para. 69](#)

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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\(4\)](#)