



# Income Tax (Earnings and Pensions) Act 2003

## 2003 CHAPTER 1

### PART 11

#### PAY AS YOU EARN

### CHAPTER 6

#### MISCELLANEOUS AND SUPPLEMENTAL

#### **710 Notional payments: accounting for tax**

- (1) If an employer makes a notional payment of PAYE income of an employee, the employer must [<sup>F1</sup>, subject to and in accordance with PAYE regulations,] deduct income tax at the relevant time from any payment or payments the employer actually makes of, or on account of, PAYE income of the employee.
- (2) For the purposes of this section—
  - (a) a notional payment is a payment treated as made by virtue of any of sections 687, 689 and 693 to 700, other than a payment whose amount is given by section 687(3)(a) or 689(3)(a), and
  - (b) any reference to an employer includes a reference to a person who is treated as making a payment by virtue of section 689(2).
- (3) Subsection (4) applies if, because the payments actually made are insufficient for the purpose, the employer is unable to deduct the full amount of the income tax as required by subsection (1).
- (4) The employer must [<sup>F2</sup>, subject to and in accordance with PAYE regulations,] account to [<sup>F3</sup>the Commissioners for Her Majesty's Revenue and Customs] at the relevant time for an amount of income tax equal to the amount of income tax the employer is required, but is unable, to deduct.

*Status: Point in time view as at 18/04/2005. This version of this provision has been superseded.*

*Changes to legislation: Income Tax (Earnings and Pensions) Act 2003, Section 710 is up to date with all changes known to be in force on or before 15 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)*

- (5) PAYE regulations may make provision—
- (a) with respect to the time when any notional payment (or description of notional payment) is made;
  - (b) applying (with or without modifications) any specified provisions of the regulations for the time being in force in relation to deductions from actual payments to amounts [<sup>F4</sup>deducted or accounted for (or required to be deducted or accounted for)] in respect of any notional payments;
  - (c) with respect to the collection and recovery of amounts [<sup>F5</sup>deducted or accounted for (or required to be deducted or accounted for)] in respect of notional payments.
- (6) Any amount—
- (a) which an employer deducts as mentioned in subsection (1), or
  - (b) for which an employer accounts as mentioned in subsection (4),
- is to be treated as [<sup>F6</sup>an amount of tax which], at the time when the notional payment is made, [<sup>F6</sup>is deducted] in respect of the employee’s liability to income tax.
- (7) “The relevant time” means—
- (a) in subsection (1), any occasion—
    - (i) on or after the time when the notional payment is made, and
    - (ii) falling within the same income tax period,
 on which the employer actually makes a payment of, or on account of, PAYE income of the employee;
  - (b) in subsection (4), any time within 14 days of the end of the income tax period in which the notional payment was made.
- (8) In subsection (7) “income tax period” has the same meaning as in the Income Tax (Employments) Regulations 1993 (S.I. 1993/744), or any subsequent regulations making corresponding provision.

#### Textual Amendments

- F1** Words in s. 710(1) inserted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 145\(6\)\(a\)](#)
- F2** Words in s. 710(4) inserted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 145\(6\)\(a\)](#)
- F3** Words in Act substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\), s. 53\(1\), Sch. 4 para. 102\(2\)](#); S.I. 2005/1126, art. 2(2)(h)
- F4** Words in s. 710(5)(b) substituted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 145\(6\)\(b\)](#)
- F5** Words in s. 710(5)(c) substituted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 145\(6\)\(b\)](#)
- F6** Words in s. 710(6) substituted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 145\(6\)\(c\)](#)

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