



Corporation Tax Act 2009

2009 CHAPTER 4

PART 13

^{F1}... EXPENDITURE ON RESEARCH AND DEVELOPMENT

CHAPTER 9

SUPPLEMENTARY

Staffing costs

1123 “Staffing costs”

- (1) For the purposes of this Part the staffing costs of a company are amounts to which subsection (2), (3), (4), (5) or (7) applies.
- (2) This subsection applies to an amount paid by the company to a director or an employee of the company which—
 - (a) is earnings consisting of money, and
 - (b) is paid because of the director's or employee's employment.
- (3) This subsection applies to an amount paid by the company to a director or an employee of the company, other than an amount paid in respect of benefits in kind, if—
 - (a) the amount is paid in respect of expenses paid by the director or employee, and
 - (b) the amount is paid because of the director's or employee's employment.
- (4) This subsection applies to secondary Class 1 national insurance contributions paid by the company.
- (5) This subsection applies to compulsory contributions paid by the company in respect of benefits for directors or employees of the company under the social security legislation of an EEA State ^{F1}... or Switzerland.

Changes to legislation: Corporation Tax Act 2009, Section 1123 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

- (6) In subsection (5) “social security legislation” means legislation relating to any of the branches of social security listed in Article 3(1) of Regulation (EC) No. 883/2004 of the European Parliament and of the Council on the co-ordination of social security systems [^{F2}as it had effect in the UK immediately before IP completion day].
- (7) This subsection applies to contributions paid by the company to a pension fund operated for the benefit of directors or employees of the company.
- (8) In subsection (7) “pension fund” means a scheme, fund or other arrangement established and maintained (whether in the United Kingdom or elsewhere) for the purpose of providing pension benefits.
- For this purpose “scheme” includes a deed, agreement or series of agreements.
- (9) In subsection (8) “pension benefits” means pensions, retirement annuities, allowances, lump sums, gratuities or other superannuation benefits (with or without subsidiary benefits).

Textual Amendments

- F1** Words in s. 1123(5) omitted (31.12.2020) by virtue of [The Taxes \(Amendments\) \(EU Exit\) Regulations 2019 \(S.I. 2019/689\)](#), regs. 1, **16(21)** (with regs. 39-41); 2020 c. 1, Sch. 5 para. 1(1)
- F2** Words in s. 1123(6) substituted (31.12.2020) by [The Taxes \(State Aid\) \(Amendments\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1499\)](#), regs. 1, **5(2)**
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Modifications etc. (not altering text)

- C1** S. 1123 applied (with modifications) by 2010 c. 4, s. 357BLB(7)(a) (as inserted (with effect in accordance with s. 64(7) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), s. **64(3)**)

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 322(2A)(zb) inserted by [2016 c. 24 s. 73\(5\)](#)
- s. 1058B(5)(ea) inserted by [2023 c. 20 Sch. para. 57](#)
- s. 1094(2A)-(2C) inserted by [2012 c. 14 Sch. 3 para. 13\(3\)](#)
- s. 1106(4A)-(4C) inserted by [2012 c. 14 Sch. 3 para. 14\(3\)](#)