



Finance Act 2011

2011 CHAPTER 11

PART 2

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Exemptions and reliefs

36 Childcare: salary sacrifice etc and the national minimum wage

- (1) In section 270A of ITEPA 2003 (limited exemption for qualifying childcare vouchers), after subsection (5) insert—

“(5A) Where the scheme under which the vouchers are provided involves—

- (a) relevant salary sacrifice arrangements, or
- (b) relevant flexible remuneration arrangements,

Condition C is not prevented from being met by reason only that the scheme is not open to relevant low-paid employees.

(5B) In subsection (5A)—

“relevant salary sacrifice arrangements” means arrangements (whenever made) under which the employees for whom the vouchers are provided give up the right to receive an amount of general earnings or specific employment income in return for the provision of the vouchers;

“relevant flexible remuneration arrangements” means arrangements (whenever made) under which the employees for whom the vouchers are provided agree with the employer that they are to be provided with the vouchers rather than receive some other description of employment income;

“relevant low-paid employees” means any of the employer's employees who are remunerated by the employer at a rate such that, if the relevant salary sacrifice arrangements or relevant flexible remuneration arrangements applied to them, the rate at which they

Status: Point in time view as at 19/07/2011.

Changes to legislation: *Finance Act 2011, Section 36 is up to date with all changes known to be in force on or before 21 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)*

would then be so remunerated would be likely to be lower than the national minimum wage.”

- (2) In section 318A of that Act (exemption for childcare other than employer-provided care), after subsection (5) insert—

“(5A) Where the scheme under which the care is provided involves—

- (a) relevant salary sacrifice arrangements, or
- (b) relevant flexible remuneration arrangements,

Condition C is not prevented from being met by reason only that the scheme is not open to relevant low-paid employees.

(5B) In subsection (5A)—

“relevant salary sacrifice arrangements” means arrangements (whenever made) under which the employees for whom the care is provided give up the right to receive an amount of general earnings or specific employment income in return for the provision of the care;

“relevant flexible remuneration arrangements” means arrangements (whenever made) under which the employees for whom the care is provided agree with the employer that they are to be provided with the care rather than receive some other description of employment income;

“relevant low-paid employees” means any of the employer’s employees who are remunerated by the employer at a rate such that, if the relevant salary sacrifice arrangements or relevant flexible remuneration arrangements applied to them, the rate at which they would then be so remunerated would be likely to be lower than the national minimum wage.”

- (3) The amendments made by this section have effect for the tax year 2005-06 and subsequent tax years.

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