STATUTORY INSTRUMENTS

2003 No. 2682

The Income Tax (Pay As You Earn) Regulations 2003

PART 4

PAYMENTS, RETURNS AND INFORMATION

CHAPTER 2

OTHER RETURNS AND INFORMATION

Returns involving PAYE income other than payments

Termination awards: information to be provided

91.—(1) Before 7th July following the end of the tax year, an employer must, in respect of each employee who received a termination award, provide the Inland Revenue with the information specified in paragraph (3) relating to that award.

(2) "Termination award" means an award consisting of payments combined with other benefits, or consisting solely of other benefits—

  (a) which were awarded in that tax year in connection with the termination of the employee's employment with the employer, or any change in the duties of or earnings from that employment,

  (b) which when provided (whether in that or a subsequent tax year) would constitute payments and other benefits received to which Chapter 3 of Part 6 of ITEPA applies (payments and benefits on termination of employment etc), and

  (c) the total amount of which is estimated by the employer to exceed £30,000, when aggregated with other payments and other benefits provided or to be provided (whether in that or a subsequent tax year) in respect of the same person as mentioned in section 404(1) of ITEPA (aggregation of payments in respect of other related employments).

(3) The information to be provided is—

  (a) the total amount of the payments and other benefits awarded;

  (b) the total amount of the payments made in that tax year in connection with the award;

  (c) details of the non-cash benefits provided in that tax year in connection with the award, other than benefits previously contained in a return for that tax year under regulation 85, and the total amount of their amounts calculated in accordance with section 415(2) of ITEPA (valuation of benefits);

  (d) the estimated total number of the tax years in which payments and non-cash benefits are to be provided in connection with the award and, if the duration of any of those payments and non-cash benefits is capable of being reduced in certain circumstances, details of those circumstances;

  (e) the estimated total amount of the payments to be made in subsequent tax years in connection with the award;

  (f) a description of each of the other benefits to be provided in subsequent tax years in connection with the award, and the terms of their provision.

 (4) In calculating the cash equivalents of non-cash benefits for the purposes of this regulation, the employer must make all deductions and other adjustments which the employer is able to show, by reference to information in the employer's possession or otherwise available to the employer, are authorised or required by any of the provisions of the benefits code as applied by section 415 of ITEPA.

 (5) In calculating the total amount of payments and other benefits for the purposes of paragraphs (2)(c) and (3)(a), the employer—

  (a) must have regard to the provisions of Chapter 3 of Part 6 of ITEPA,

  (b) must take into account the matters referred to in paragraph (3)(d),(e) and (f), and

  (c) in valuing the amount of non-cash benefits for future tax years in connection with the award, must assume that the provisions of ITEPA relating to those benefits will remain unchanged with respect to those years.

 (6) Information required to be provided by an employer in accordance with paragraphs (1) and (3) may be provided after the termination award is made but before the end of the tax year in which it is made.

 (7) If information is provided in accordance with paragraph (6), paragraph (3)(b) and (c) have effect, so far as concerns the providing of information relating to the tax year, as if they required the amounts and benefits there specified to be estimated by the employer as accurately as possible.

 (8) This regulation is subject to regulation 93 (return if more than one employer).

 (9) In this regulation and regulations 92, 93 and 96 (further provisions about termination awards) —

  "employee" includes a former employee; and

  "employer" includes a former employer.