
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations specify conditions that must be met in order for a payment to fall within the definition of an “accommodation allowance” for the purposes of section 297D of the Income Tax (Earnings and Pensions) Act 2003 (c. 1). Section 297D was inserted by section 8(1) of the Finance Act 2018 (c. 3) and introduced an income tax exemption for payments made to, or in respect of, members of the armed forces of the Crown out of public revenue for or towards the costs of accommodation. The conditions require that a payment falls within certain categories of payments that may be made by the Ministry of Defence (“MOD”) under the pilot of its “Future Accommodation Model” set out in Joint Service Publication 464 Volume 4 Part 1 (the “JSP”), which is a document published by the MOD containing details of this pilot.

The JSP is available at <https://www.gov.uk/government/publications/jsp-464-tri-service-accommodation-regulations-tsars>. Hard copies of this document can be obtained from the Future Accommodation Model Central Team, MOD Main Building, Whitehall, London, SW1A 2HB (email: people-accommodation-fam@mod.gov.uk).

A Tax Information and Impact Note covering this instrument was published on 22nd November 2017 and is available at <https://www.gov.uk/government/publications/income-tax-armed-forces-accommodation-allowance-exemption/income-tax-armed-forces-accommodation-allowance-exemption>. It remains an accurate summary of the impacts that apply to this instrument.