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HMRC internal manual

Corporate Intangibles Research and Development Manual

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CIRD69005 - Land Remediation Relief: Definitions: Employee Costs

FA01/SCH22/PARA5

The relevant employee costs are those paid to, or in respect of, directors or employees directly and actively engaged in the relevant land remediation. This includes:

- all salaries, wages, perquisites and profits whatsoever, paid to directors or employees, but does not include benefits in kind,

- secondary Class 1 national insurance contributions paid by the company, and
- contributions paid by the company to any pension fund (within the meaning of ICTA88/S231A (4)) operated for the benefit of directors or employees of the company.

Benefits in kind, payments to an employee benefit trust or payments under a share incentive scheme are not employee costs for Land Remediation purposes.

Secretarial and administrative staff:

FA01/Sch22/Para5 (1)

Employee costs do not include the earnings, pension contributions etc of secretarial and administrative staff.

This is because employees who only provide secretarial or administrative services in support of those directly and actively engaged in relevant land remediation are not considered to be actively and directly engaged in relevant land remediation activities.

80:20 Rule

FA01/Sch22/Para5 (3)

Where a director or employee is directly and actively engaged in relevant land remediation for only part of their time, the following rules apply:

- If the time spent is less than 20% of their total working time in an accounting period, then none of the employee costs are treated as attributable to relevant land remediation.
- If the time spent is greater than 80% of their total working time in an accounting period, then all of the employee costs are treated as attributable to relevant land remediation.

- In all other cases an appropriate proportion of the employee costs are to be treated as attributable to relevant land remediation.

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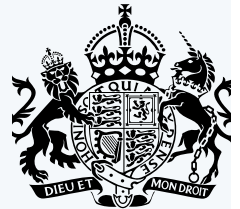
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