

(f) any pension, annuity, or supplement to a pension or annuity received in relation to employment; or

(g) any amount treated as employment income under section 18.

(2) For the purposes of this Act, an amount is treated as arising from employment regardless of whether it is paid –

(a) by the employee's employer, an associate of the employer, or by a third party under an arrangement with the employer or an associate of the employer;

(b) by a past employer or a prospective employer; or

(c) to the employee or an associate of the employee.

### 18. Employee share schemes

(1) The value of a right or option to acquire shares under an employee share scheme granted to an employee is not chargeable to income tax.

(2) Subject to subsection (3), if, in a tax year, an employee is issued with shares under an employee share scheme, including shares issued as a result of the exercise of an option or right to acquire the shares, the employment income of the employee for the year includes the fair market value of the shares at the date of issue reduced by the employee's contribution for the shares.

(3) If shares issued to an employee under an employee share scheme are subject to a restriction on the transfer of the shares –

(a) no amount is included in the employment income of the employee until –

(i) the time the employee has a free right to transfer the shares, or

(ii) the time the employee disposes of the shares,

whichever is earlier; and

(b) the amount included in employment income shall be the fair market value of the shares at the time the employee has a free right to transfer the shares or disposes of the shares, as the case may be, as reduced by the employee's contribution for the shares.

(4) For the purposes of this Act, if subsection (2) or (3) applies, the cost of the shares to the employee shall be the sum of the employee's contribution for the shares and the amount included in employment income under those subsections.

(5) Chapter III applies to any gain or loss arising on the disposal of –

(a) a right or option to acquire shares under an employee share scheme; or

(b) shares acquired under an employee share scheme.

(6) In this section –

“employee's contribution”, in relation to shares issued to an employee under an employee share scheme, means the sum of the consideration, if any, given by the employee –

(a) for the shares; and

(b) for the grant of any right or option to acquire the shares; and

“employee share scheme” means an agreement or arrangement under which a company may issue shares in the company to –

(a) an employee of the company or an employee of a company that is an associate of the first-mentioned company; or

(b) the trustee of a trust and under the trust deed the trustee may transfer the shares to an employee of the company or an employee of a company that is an associate of the first-mentioned company.

### 19. Property income

Property income is –

(a) any dividend, interest, royalty, rent, natural resource amount, or other amount arising from the provision, use, or exploitation of property; or

(b) any pension, charge, or annuity, or any supplement to a pension, charge, or annuity,

but does not include an amount that is business or employment income.