

- 9 JAN 1998

GUERNSEY

GUERNSEY STATUTORY INSTRUMENT

The Income Tax (Pensions) (Contribution Limits
and Tax-free Lump Sums) Regulations, 1998

1998 - No. 1

Made	8th January, 1998
Laid before the States	1998
Coming into operation	1st January, 1998

THE STATES INCOME TAX AUTHORITY, in exercise of the powers conferred on it by sections 153(2), 157A(2)(b)(vi), 157A(5B) and 159 of the Income Tax (Guernsey) Law, 1975(a) hereby makes the following Regulations:-

Limit of contributions to annuity schemes

1. (1) Subject to paragraphs (2) and (3) of this Regulation, the total contributions made by an individual during 1998 to one or more approved annuity schemes must not exceed -
 - (a) £18,000 if the individual is aged 40 or over at any time during 1998, is in receipt of relevant earnings and is not a member of an approved occupational pension scheme; or
 - (b) £12,000 if the individual is aged under 40 throughout 1998 and/or is a member of an approved occupational pension scheme and is in receipt of relevant earnings; or

(a) Ordres en Conseil Vol. XXV, p.124; Vol. XXVI pp.146, 200 and 292; Vol. XXVII pp.84, 118, 200, 333 and 565; Vol. XXVII, p.84; Vol. XXVIII, pp.184, 278, 353 and 409; Vol. XXIX, p.214; Vol. XXXI, pp.406 and 473; No. XXVI of 1990; No. IV of 1991; No. VI of 1992; Nos. IV and VIII of 1993; No. XXV of 1994; Nos. III and VII of 1995; No. V of 1996; No. of 1997.

- (c) £6,000 if the individual is not in receipt of relevant earnings.
- (2) An individual who has made contributions since 1st January, 1992 but who has not yet contributed the maximum prescribed in respect of any year from 1992 to 1997 inclusive, may also contribute during 1998 any unused excess from any of those years not ended before his first contribution.
- (3) If he does so, then:
- (a) he must at the same time deliver to the payee a duplicate certificate issued by the Administrator, stating the amount which he is entitled to contribute in 1998, and
- (b) the payee must retain one copy of that certificate and return the other to the Administrator within 30 days.

Tax-free lump sums

2. No charge to income tax shall arise under section 153(1)(a) or section 157A(5A) of the Law on a lump sum paid during 1998 from an approved occupational pension scheme or an approved annuity scheme except on the amount, if any, by which the total of all lump sum payments made to that individual from all such schemes since 1st January, 1998 exceeds £101,000.

Interpretation

3. In these Regulations -

"approved annuity scheme" means a retirement annuity scheme or a retirement annuity trust scheme approved under section 157A of the Law;

"approved occupational pension scheme" means a pension scheme or part of a pension scheme approved by the Administrator in accordance with section 150 of the Law and shall be deemed to include a statutory scheme and any scheme authorised by Resolution of the States of Guernsey;]

"the Law" means the Income Tax (Guernsey) Law, 1975, as amended.

Repeal

4. The Income Tax (Guernsey) (Annuity Scheme Contributions Limits) Regulations, 1996 are repealed.

Citation

5. These Regulations may be cited as the Income Tax (Pensions) (Contribution Limits and Tax-free Lump Sums) Regulations, 1998.

Commencement

6. These Regulations shall come into force on 1st January, 1998.

Dated this eighth day of January, 1998

P. Robilliard

MRS. P. ROBILLIARD
Member of the States Income Tax Authority
for and on behalf of the said Authority

EXPLANATORY NOTE

(This note is not part of the Regulations)

Individuals who are residents of Guernsey are permitted, under the Income Tax Law, to contribute to Retirement Annuity Schemes or Retirement Annuity Trust Schemes which provide personal pensions upon retirement. The Income Tax Authority is empowered, under the Law, to make Regulations which, amongst other things, lay down the limits of contributions which are permitted.

These Regulations:

- lay down the limits of contributions and mean that with effect from 1st January 1998, individuals are able to contribute up to the maxima shown;
- limit the total of tax free lump sum payments which may be made from an approved occupational pension scheme or an approved annuity scheme; and
- give an entitlement to carry forward the amount of any qualifying unused contributions for 1992, 1993, 1994, 1995, 1996 and 1997 for utilisation in 1998.