

GUERNSEY STATUTORY INSTRUMENT

1979 No. 29

THE INCOME TAX (GUERNSEY)
(EMPLOYEES TAX INSTALMENT SCHEME)
REGULATIONS, 1979

Made 23rd August, 1979
Approved by Resolution of the States 26th September, 1979
Coming into operation..... 26th September, 1979

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THE INCOME TAX AUTHORITY, in exercise of the powers conferred upon it by subsection (4) of section eighty-one A of the Income Tax (Guernsey) Law, 1975, as amended (a), hereby makes the following Regulations:-

Citation.

1. These Regulations may be cited as the Income Tax (Guernsey) (Employees Tax Instalment Scheme) Regulations, 1979.

Interpretation.

2.(1) In these Regulations, unless the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them, that is to say:-

"code letter" has the meaning assigned to it by sub-paragraph (a) of paragraph (6) of Regulation three of these Regulations;

"code number" has the meaning assigned to it by sub-paragraph (b) of paragraph (6) of Regulation three of these Regulations;

"coding notice" has the meaning assigned to it by paragraph (1) of Regulation three of these Regulations, and includes a daily coding card;

"daily coding card" has the meaning assigned to it by paragraph (9) of Regulation three of these Regulations;

"direction notice" has the meaning assigned to it by paragraph (2) of Regulation nine of these Regulations;

"emoluments" has the meaning assigned to it by subsection (1) of section two hundred and nine of the Law and includes a payment to which the

provisions of paragraph (b) or paragraph (c) of subsection (2) of section eighty-one A of the Law apply;

"employee" means a person who receives a payment to which the provisions of subsection (2) of section eighty-one A of the Law apply;

"employer" means a person who, whether on behalf of himself or of another, makes a payment to which the provisions of sub-section (2) of section eighty-one A of the Law apply;

"jobbing employee" means an employee who receives a payment to which the provisions of paragraph (c) of subsection (2) of section eighty-one A of the Law apply and includes an employee who holds a daily coding card;

"tax deduction certificate" has the meaning assigned to it by Regulation eight of these Regulations;

"tax deduction form" has the meaning assigned to it by paragraph (1) of Regulation ten of these Regulations;

"tax table" means a tax table prepared by the Administrator in accordance with the provisions of Regulation five of these Regulations;

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

and any other expression has the same meaning as in the Law.

(2) The Interpretation (Guernsey) Law, 1948(b), shall apply to the interpretation of these Regulations as it applies to the interpretation of an enactment.

Coding.

3.(1) The Administrator shall, on or before the thirty-first day of December, 1979, or as soon as may be thereafter, issue to

every employee who has made a return of income for the year of charge 1979, or, where the Administrator has agreed to the deferment of such return, has submitted a return of income for the year of charge 1978, a notice (hereinafter referred to as "a coding notice") relating to the year 1980 and shall on or before the thirty-first day of December in each succeeding year, or as soon as may be thereafter, issue a coding notice relating to the following year to every employee who has made a return of income for the year of charge in which the coding notice is to be issued, or, where the Administrator has agreed to the deferment of such return, for the preceding year of charge.

(2) Where an employee has not received a coding notice as provided in paragraph (1) of this Regulation because he has failed to make a return of his income for the relevant year of charge, the Administrator shall, as soon as may be after receiving the return of income in question, issue to the employee a coding notice.

(3) Where an employee who was not employed in Guernsey in the year preceding a year of charge commences to be so employed, he shall on taking up his employment in Guernsey make a declaration to the Administrator, in such form as the Administrator may require, of the personal and other allowances to which he claims to be entitled under the Law, and, as soon as may be after receiving such declaration, the Administrator shall issue to the employee a coding notice.

(4) Where a notice of assessment based upon a return of income made by an employee is issued to the employee during the year of charge to which the assessment relates the Administrator shall issue to the employee a revised coding notice.

(5) Every coding notice issued under the provisions of this Regulation shall be in two parts.

(6) Part 1 of a coding notice shall specify the following information relating to the employee:-

(a) a letter (hereinafter referred to as "a code

letter") which by reference to the personal allowance and children allowance claimed by the employee will indicate the weekly or monthly tax table to be applied to his emoluments;

- (b) a number (hereinafter referred to as "a code number") obtained by deducting from the total of the amount of any life assurance allowance and the amount of any other allowance or deduction not taken into account in compiling the tax tables which the Administrator estimates the employee is entitled to claim the amount of income from sources other than employment which the Administrator estimates will be chargeable upon the employee and dividing the resulting amount by fifty-two in the case of a weekly paid employee and by twelve in the case of a monthly paid employee:
Provided that in any case where the amount of such income exceeds the total of such allowances the code number of the employee shall be zero.

(7) Part 2 of a coding notice shall specify the weekly code number and code letter and the monthly code number and code letter applicable to each employee.

(8) Every revised coding notice shall contain similar particulars to a coding notice but shall be compiled by reference to the information relating thereto included in the notice of assessment to which it relates.

(9) A jobbing employee who is paid by the day may request the Administrator to issue to him a card (hereinafter referred to as "a daily coding card") upon surrendering to the Administrator Part 2 of his coding notice and Part 2 of any revised coding notice for the year to which such notice or notices relate and such daily coding card shall show the following information relating to the employee:-

- (a) the code letter which, by reference to the personal

allowance and children allowance claimed by the employee, will indicate the daily tax table to be applied to his emoluments;

- (b) a code number obtained by dividing the employee's weekly code number by five.

Lodgment of coding notice with employer.

4.(1) Every employee, other than a jobbing employee in possession of a daily coding card, shall, at the commencement of each year of charge or upon entering into employment, lodge with his employer Part 2 of his coding notice.

(2) Where an employee, other than a jobbing employee in possession of a daily coding card has more than one employer, he shall select one of those employers to be his principal employer and shall lodge Part 2 of his coding notice with that employer.

(3) Where an employee receives a revised coding notice he may lodge Part 2 thereof with the employer with whom he has lodged Part 2 of his coding notice.

(4) An employee in possession of a daily coding card shall retain such card and shall make it available to any employer by whom he is employed for the time being at such time as payment for any work done by him is to be made by his employer.

Tax tables.

5.(1) For every year of charge the Administrator shall prepare, and make available, tax tables to enable employers to ascertain, in accordance with the code letter contained in Part 2 of each employee's coding notice, the tax to be deducted in respect of the emoluments of that employee.

(2) Such tax tables shall include for the year of charge to which they relate, the following:-

- (a) a table (hereinafter referred to as "tax table X") to show the tax at the standard rate to be deducted from the emoluments of an employee to whom that table relates;

- (b) tables to show the tax to be deducted from the daily, weekly or monthly emoluments of a married woman having regard to any wife's earned income allowance prescribed by Resolution of the States under the provisions of section thirty-six of the Law;
- (c) tables to show the tax to be deducted from the daily, weekly or monthly emoluments of any other employee by reference to his circumstances having regard to the personal and other allowances prescribed by such Resolution but excluding any dependent relative allowance, infirm person's allowance, housekeeper allowance, life assurance allowance and charge of children allowance.

Deduction of tax
by employer.

6.(1) On each pay day every employer shall, in respect of each of his employees who has lodged with him Part 2 of his coding notice or revised coding notice, or who is a jobbing employee, deduct the amount of tax shown in the tax table relating to that employee as follows:-

- (a) if the employee is a jobbing employee, as indicated by the code letter included in that employee's coding notice or the daily code letter included in that employee's daily coding card,
- (b) if the employee is paid weekly, as indicated by the weekly code letter included in that employee's coding notice, or
- (c) if the employee is paid monthly, as indicated by the monthly code letter included in that employee's coding notice,

by reference to the net emoluments, as defined in paragraph (4) of this Regulation, to be paid to the employee on that pay day.

(2) On each pay day every employer shall, in respect of each of his employees who has not lodged with him Part 2 of his

coding notice or has not produced to him his daily coding card, deduct the amount of tax shown in tax table X to be deductible from the gross emoluments to be paid on that day.

(3) Where the total emoluments payable to a jobbing employee are for a period exceeding one day, the amount thereof shall be divided by the number of days to which such emoluments relate in order to arrive at the amount applicable to each day, and such amount shall then be reduced by the daily code number to arrive at the daily net emoluments. The tax deductible according to the appropriate tax table for each day to which the total emoluments relate shall then be multiplied by the number of days to which the total emoluments relate and the tax so arrived at shall be the tax deductible from such emoluments.

(4) For the purposes of paragraph (1) of this Regulation, the term "net emoluments" means the gross emoluments to be paid on each pay day, less -

(a) the amount of any deductions allowable under the provisions of paragraph (b) of subsection (3) of section eight of the Law (which relates to the deductions allowable for contributions to approved pension schemes), and

(b) the relevant code number shown in the coding notice, revised coding notice or daily coding card, as the case may be.

(5) On each pay day every employer who has deducted tax from the emoluments of an employee to be paid on that day, shall notify the employee, in writing, of the amount of tax so deducted.

Cessation of employment.

7.(1) Where an employee ceases to be employed by an employer with whom he has lodged Part 2 of his coding notice and Part 2 of any revised coding notice, the employer shall immediately return to that employee the said Part 2 or Parts 2, as the case may be, together with any direction notice relating to him.

(2) Such employee shall lodge with any other employer by

whom he is employed and whom he selects as his principal employer, Part 2 of his coding notice and Part 2 of any revised coding notice and any direction notice relating to the employee.

Tax deduction certificate.

8. On receiving a request in that behalf from an employee, an employer shall give to the employee a certificate (hereinafter referred to as "a tax deduction certificate") in a form laid down by the Administrator, showing the period to which the certificate relates and the amount of tax deducted by the employer from the emoluments of the employee during that period: Provided that an employee may not require his employer to provide such a certificate on more than two occasions in any one year.

Variation of deductions by direction notice.

9.(1) In any year of charge an employee may apply to the Administrator to have his deductions varied from the amount relating to his net emoluments shown in the tax table applicable to his code letter on presentation to the Administrator of his notice of assessment for that year of charge and his tax deduction certificate.

(2) Upon receipt of such application as is referred to in paragraph (1) of this Regulation, the Administrator shall determine whether, in his opinion, the deductions should be varied and may direct the employer of that employee, by notice in writing (hereinafter referred to as a "direction notice"), to vary future deductions relating to that employee as specified in the notice, and to repay such amount as may be specified therein to the employee.

(3) Where, in respect of any year of charge, tax payable by an employee remains unpaid after the due date for the payment thereof, and the Administrator has agreed to accept payment of such tax by instalments, the Administrator may, with the prior consent in writing of the employee, issue to the employer of that employee a direction notice requiring deductions to be made equal to such instalments from the emoluments of the said employee in addition to any tax deductible in accordance with the tax tables

appropriate to that employee.

(4) Where the Administrator is satisfied that no tax is chargeable upon an employee or that alternative arrangements have been made for the payment of any tax chargeable upon the emoluments of any employment of that employee, he may, at any time, direct that no tax shall be deducted from the emoluments payable to that employee in respect of that employment.

Tax deduction form.

10.(1) Every employer shall maintain for each of his employees for the year 1980, and all subsequent years, a record in triplicate on the appropriate form (hereinafter referred to as "a tax deduction form") supplied to him by the Administrator, of that employee's gross emoluments payable on each pay day, the deduction (if any) made therefrom for contributions to an approved pension scheme, the reduction (if any) relating to the coding number as shown on that employee's coding notice and the tax deducted from that employee's emoluments.

(2) The tax deduction form shall record the particulars relating to each employee referred to in paragraph (1) of this Regulation for the following periods:-

- (a) the months of January, February and March
(hereinafter referred to as "the March quarter"),
- (b) the months of April, May and June (hereinafter referred to as "the June quarter"),
- (c) the months of July, August and September
(hereinafter referred to as "the September quarter"),
- (d) the months of October, November and December
(hereinafter referred to as "the December quarter").

(3) At the end of each of the four quarters referred to in paragraph (2) of this Regulation, the employer shall total the columns of the tax deduction form relating to the employee's gross emoluments, superannuation deductions and tax deducted and shall submit the top copy of the tax deduction form to the Administrator

with payment of the tax deducted as provided in Regulation eleven of these Regulations, retain one copy for his own records and supply the other copy to the employee to whom it refers.

Payment of tax by employer.

11.(1) Every employer shall, not later than the 15th day of the months of April, July, October and January in each year, pay to the Administrator the amount of tax deducted by him from the emoluments of his employees during the March quarter, June quarter, September quarter and December quarter respectively, and such payment shall be accompanied by a list of employees from whose emoluments such tax has been deducted and the tax deduction form for the relevant quarter relating to each of his employees, whether or not any tax has been deducted or was deductible, from the emoluments of such employee.

(2) The tax deduction form for each employee submitted to the Administrator for the December quarter in accordance with the provisions of paragraph (1) of this Regulation shall be accompanied by any coding notice, revised coding notice or direction notice relating to that employee for the year ending on the thirty-first day of December of that quarter.

Statement of employee's tax account.

12. As soon as may be practicable after the end of any year of charge, the Administrator shall issue to every employee from whose emoluments tax has been deducted in that year of charge a statement showing:-

- (a) the amount of any tax assessed and unpaid for any year of charge prior to that year of charge;
- (b) the amount of any tax assessed for that year of charge;
- (c) the amount of tax deducted as aforesaid;
- (d) the amount of any other tax paid for that year of charge;
- (e) the amount of any balance of tax overpaid or underpaid as the case may be.

Special arrangement with employer.

13. In any case in which the Administrator is of opinion

that it is desirable or expedient to do so, he may make such special arrangements with any employer as are necessary for carrying into effect the provisions of section eighty-one A of the Law and of these Regulations.

Dated this twentythird day of August, nineteen hundred and seventy-nine.



R.L. LE POIDEVIN,

President of the States Income Tax
Authority for and on behalf of the
said Authority.