GUERNSEY STATUTORY INSTRUMENT

The Income Tax (Pensions) (Contribution Limits and Tax-free Lump Sums) Regulations, 2006

2006 – No 44

Made	*28th November 2006*
Laid before the States	*2007*
Coming into operation	*1st January 2007*

THE STATES TREASURY & RESOURCES DEPARTMENT, 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 2007 to one or more approved annuity schemes must not exceed -

(a) £20,000 if the individual is aged 40 or over at any time during 2007, is in receipt of relevant earnings and is not a member of an approved occupational pension scheme; or

(b) £13,600 if the individual is aged under 40 throughout 2007 and/or is a member of an approved occupational pension scheme and is in receipt of relevant earnings; or

(c) £6,800 if the individual is not in receipt of relevant earnings.

(2) An individual who has made contributions since 1st January, 2001 but who has not yet contributed the maximum prescribed in respect of any year from 2001 to 2006 inclusive, may also contribute during 2007 any unused excess from any of those years not ended before his first contribution.

(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 XXVIII, pp.184, 278, 353 and 409; Vol XXIX, p.214; Vol XXXI, pp.406 and 473; Vol XXXII, p.307; No IV of 1991; No VI of 1992; No's IV and VIII of 1993; No XXV of 1994; No's III and VII of 1995; No V of 1996; No's IV and XXII of 1997; No's II and VI of 1999; No IV of 2000; No's VI and XVII of 2001; No VII of 2002; No's IV, XVIII and XXVI of 2003; No's XII and XVI of 2004; and No's V and VI of 2005.

(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 2007, 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. (1) Subject to paragraph (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 2007 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 1 January, 1998 exceeds £145,000.

(2) In calculating for the purposes of paragraph (1) whether the total of all lump sum payments made to an individual exceeds £145,000, no account shall be taken of a lump sum or any part of a lump sum arising from an approved inward transfer payment made from a scheme described in paragraph (c), (d), (e) or (f) of section 157B(1) of the Law.

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 (Pensions) (Contribution Limits and Tax-Free Lump Sums) Regulations, 2005 are repealed.

Citation

5. These Regulations may be cited as the Income Tax (Pensions) (Contribution Limits and Tax-free Lump Sums) Regulations, 2006.

Commencement

6. These Regulations shall come into force on 1st January, 2007.

Dated this 28th day of November, 2006

L S TROTT
Minister, Treasury & Resources Department
for and on behalf of the said Department

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are substantially the same as the 2005 Regulations; the only material changes being the tax-free lump sums payable from an approved occupational pension scheme or an approved annuity scheme increasing to £145,000 and the exclusion, from the calculation of the limit of the tax-free element of the lump sum, of any part of the lump sum which arises from an inward transfer payment from an overseas pension scheme.