

**The Income Tax (Pensions) (Contribution Limits  
and Tax-free Lump Sums) Regulations, 2010**

2010 – No 3

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|-------------------------------|---------------------------|
| <i>Made</i>                   | <i>19th January 2010</i>  |
| <i>Laid before the States</i> | <i>24th February 2010</i> |
| <i>Coming into operation</i>  | <i>1st January 2010</i>   |

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<sup>a</sup> 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 2010, or any later year (“the relevant year”) 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 the relevant year, 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 [the relevant year] 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.

<sup>a</sup> 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.

- (2) An individual who has made contributions since 1st January, in the sixth year preceding the relevant year but who has not yet contributed the maximum prescribed in respect of any preceding year since, may also contribute during the relevant year any unused excess from any of those preceding 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 Director, stating the amount which he is entitled to contribute in the relevant year, and
  - (b) the payee must retain one copy of that certificate and return the other to the Director 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 the relevant year 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 the prescribed amount.
- (2) In calculating for the purposes of paragraph (1) whether the total of all lump sum payments made to an individual exceeds the prescribed amount, 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;

**“prescribed amount”** means an amount equal to 150% of the salary at 1 January in the relevant year of a Civil Servant graded Senior Officer 10, at the maximum point on that scale, rounded up to the nearest thousand;

**“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, 2008 are repealed.

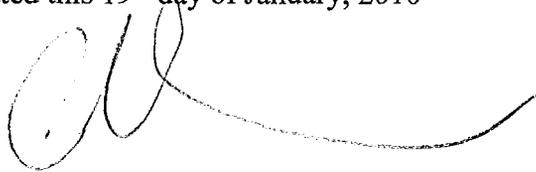
**Citation**

5. These Regulations may be cited as the Income Tax (Pensions) (Contribution Limits and Tax-free Lump Sums) Regulations, 2010.

**Commencement**

6. These Regulations shall be deemed to have come into force on 1st January, 2010.

Dated this 19<sup>th</sup> day of January, 2010



C N K PARKINSON  
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 2008 Regulations; the only material changes being the tax-free lump sums payable from an approved occupational pension scheme or an approved annuity scheme, the maximum tax-free amount of which increases to the prescribed amount.