

THE INCOME TAX (GUERNSEY)(LIMIT OF RETIREMENT AND OTHER BENEFITS)
REGULATIONS, 1975

THE INCOME TAX AUTHORITY, in exercise of the powers conferred upon it by section one hundred and fifty-nine of the Income Tax (Guernsey) Law, 1975, hereby makes the following regulations:-

1. These Regulations may be cited as the Income Tax (Guernsey)(Limit of Retirement and Other Benefits) Regulations, 1975 and shall be deemed to have come into operation on the first day of January 1974.
2. In these Regulations, unless the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them, that is to say:-

"the Administrator" means the Administrator referred to in section two hundred and five of the Law;

"the Authority" means the Authority constituted under the provisions of section two hundred and four of the Law;

"final remuneration" means in relation to any employee, the highest annual remuneration of any year during the last five years of his service with the employer, and the amount of a person's remuneration for any year shall be taken to be the amount thereof on which he would be assessable under the provisions of the repealed Laws or of the Law, as the case may require, if those provisions required the assessments to be based on the income of that year and not on that of any other year or period;

PROVIDED that, in the case of a director of a company, remuneration shall not include any director's fees or similar remuneration received by him in his capacity as such director;

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

"the repealed Laws" has the same meaning as in section two hundred and ten of the Law;

and any other expression shall have the same meaning as in the Law.

3. The Interpretation (Guernsey) Law, 1948, shall apply to the interpretation of these Regulations as it applies to the interpretation of an enactment.
4. (1) The retirement or other benefits provided by a pension scheme approved under the provisions of section one hundred and fifty of the Law shall not exceed the limits contained in the subsequent sub-paragraphs of this paragraph.
(2)(a) Any pension payable to an employee on or after retirement shall not exceed one-sixtieth of the employee's final remuneration for each year of service up to a maximum of forty years;
(b) where a scheme allows a part of a pension to be commuted, the part so commuted shall not exceed three-eightieths of the employee's final remuneration for each year of service up to a maximum of forty years;

PROVIDED that these limits may, with the consent of the Administrator and subject to such conditions as he may think proper to impose, be exceeded by virtue of an employee's late entry into the employment to which the scheme relates.

PROVIDED further that in no case shall the benefit in sub-paragraph (2)(a) of this Regulation exceed two-thirds of the employee's final remuneration nor shall the benefit in sub-paragraph (2)(b) of this Regulation exceed one and one half times the employee's final remuneration.

(3) On the death in service of an employee -

- (a) any lump sum payable shall not exceed four times the employee's final remuneration (exclusive of any refunds of contributions and any interest thereon);
- (b) any pension payable shall be for the benefit of the employee's spouse, children or dependants and the total of such pensions shall not exceed two-thirds of the pension which would have been provided for the employee at the date specified in the scheme as his normal retirement date if he had continued to serve until that date at an annual rate of remuneration equal to his final remuneration.

(4) On the death after retirement of an employee -

- (a) the annual amount of the total pensions payable to his spouse or dependants shall not exceed two-thirds of the maximum pension which could have been provided for the employee without regard to any pension surrendered by him in accordance with the provisions of Regulation 5 of these Regulations, and
- (b) where less than five years' pension has become payable to the said employee, an amount not exceeding in all the value of the pension for the remaining part of the five years may be paid.

- 5. Where an employee has surrendered part of his pension to provide a pension for his spouse or for a dependant, the pension so provided shall not exceed the reduced pension retained by the employee.
- 6. Notwithstanding anything in these Regulations, pension benefits in payment may be augmented from time to time to make good any decline in the purchasing power of the pound sterling.

Dated this Eighteenth day of September,
nineteen hundred and seventy-five.

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