

GUERNSEY STATUTORY INSTRUMENT

ENTITLED

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

[CONSOLIDATED TEXT]

NOTE

This consolidated version of the enactment incorporates all amendments listed in the footnote below. It has been prepared for the Guernsey Law website and is believed to be accurate and up to date, but it is not authoritative and has no legal effect. No warranty is given that the text is free of errors and omissions, and no liability is accepted for any loss arising from its use. The authoritative text of the enactment and of the amending instruments may be obtained from Her Majesty's Greffier, Royal Court House, Guernsey, GY1 2PB.

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* G.S.I. No. 3 of 2010; as amended by the Administrator of Income Tax (Guernsey) (Transfer of Functions) Ordinance, 2009 (No. VII of 2009, Recueil d'Ordonnances Tome XXXIII, p. 472); the Director of Income Tax (Transfer of Functions) (Guernsey) Ordinance, 2018 (No. ** of 2018); the Income Tax (Pensions) (Amendments and Miscellaneous Provisions) Regulations, 2011 (G.S.I. No. 6 of 2011); the Income Tax (Pensions) (Contribution Limits and Tax-free Lump Sums) (Amendment) Regulations, 2015 (G.S.I. No. 57 of 2015); the Income Tax (Pensions) (Contribution Limits and Tax-free Lump Sums) (Amendment) (No. 2) Regulations, 2015 (G.S.I. No. 67 of 2015); the Income Tax (Pensions) (Contribution Limits and Tax-free Lump Sums) (Amendment) Regulations, 2017 (G.S.I. No. 101 of 2017); the Income Tax (Pensions) (Contribution Limits and Tax-free Lump Sums) (Amendment) Regulations, 2018 (G.S.I. No. 79 of 2018).

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

ARRANGEMENT OF REGULATIONS

1. Contributions to annuity schemes and occupational pension schemes to be unlimited.
- 1A. Maximum allowance on contributions to annuity schemes and occupational pension schemes.
2. Tax-free lump sums.
3. Interpretation.
4. Repeal.
5. Citation.
6. Commencement.

Explanatory Note.

(Made on 19th January, 2010.)

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

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: –

[Contributions to annuity schemes and occupational pension schemes to be unlimited.]

1. The total contributions that may be made by an individual during 2011 or any later year ("**the relevant year**") to one or more approved annuity schemes or an approved occupational pension scheme shall be unlimited.]

NOTE

Regulation 1 was substituted by the Income Tax (Pensions) (Amendments and Miscellaneous Provisions) Regulations, 2011, regulation 4(2), with effect from 27th April, 2011, and shall have effect in respect of any year of charge after 2010.

[Maximum allowance on contributions to annuity schemes and occupational pension schemes.]

1A. (1) For the purposes of sections 36 and 157A(10) of the Law

^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; Nos. IV and VIII of 1993; No. XXV of 1994; Nos. III and VII of 1995; No. V of 1996; Nos. IV and XXII of 1997; Nos. II and VI of 1999; No. IV of 2000; Nos. VI and XVII of 2001; No. VII of 2002; Nos. IV, XVIII and XXVI of 2003; Nos. XII and XVI of 2004; and Nos. V and VI of 2005.

(maximum allowance permitted in respect of contributions to an approved annuity scheme), the retirement annuity contribution limit in respect of the year of charge 2011 and any succeeding year of charge is £50,000* .

(2) For the purposes of paragraph (b) of the proviso to section 151(1) of the Law (maximum deduction permitted in respect of contributions to an approved occupational pension scheme), the prescribed amount in respect of the year of charge 2011 and any succeeding year of charge is £50,000.

[(3) The maximum amount which an individual is entitled by way of relief from income tax to claim by way of allowance or, as the case may be, deduction against income by virtue of paragraphs (1) and (2) may not exceed £50,000 in the aggregate.]

[(4) Without prejudice to the generality of section 36 of the Law, the States may by Resolution –

(a) amend –

- (i) the contribution limit set out in paragraph (1),
- (ii) the prescribed amount set out in paragraph (2),
or
- (iii) the maximum aggregate amount set out in paragraph (3),

* Resolution of the States of Deliberation of the 8th December, 2010 on Billet d'État No. XXV of 2010 (see paragraph 7(3)(b) of the Second Schedule to proposition 11(b) at page 114 of the Billet).

provided that the amount prescribed by Resolution in respect of the said contribution limit, prescribed amount or maximum aggregate amount may not be less than £1,000, and

- (b) prescribe, in respect of the allowance, deduction or maximum aggregate amount respectively referred to in those paragraphs, and subject to the proviso in subparagraph (a), such limitations, conditions, restrictions or qualifications as the States think fit.]]

NOTES

Regulation 1A was inserted by the Income Tax (Pensions) (Amendments and Miscellaneous Provisions) Regulations, 2011, regulation 4(2), with effect from 27th April, 2011, and shall have effect in respect of any year of charge after 2010.

In regulation 1A,

paragraph (3) was inserted by the Income Tax (Pensions) (Contribution Limits and Tax-free Lump Sums) (Amendment) (No. 2) Regulations, 2015, regulation 1, with effect from 1st January, 2016;

paragraph (4) was inserted by the Income Tax (Pensions) (Contribution Limits and Tax-free Lump Sums) (Amendment) Regulations, 2017, regulation 1, with effect from 1st January, 2018.

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 1st 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 [but only to the extent that the lump sum or part thereof does not, together with all other lump sum payments made from such an approved inward transfer payment or the funds derived from such a payment to or in respect of the individual, exceed 30% of the value of the approved inward transfer payment or the funds derived from that payment, the valuation being made immediately before the time of the making of the payment].

NOTE

In regulation 2, the words in square brackets in paragraph (2) were inserted by the Income Tax (Pensions) (Contribution Limits and Tax-free Lump Sums) (Amendment) Regulations, 2015, regulation 2, with effect from 2nd October, 2015.

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 [Director of the Revenue Service] 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, from the 1st January, 2019, £198,000, or (without prejudice to the generality of section 36 of the Law) such other

amount as the States may by Resolution specify for the purposes of these Regulations; and any such Resolution may specify, in respect of the prescribed amount, such limitations, conditions, restrictions or qualifications as the States think fit,]

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

NOTES

In regulation 3,

the words in square brackets in the definition of the expression "approved occupational pension scheme" were substituted by the Director of Income Tax (Transfer of Functions) (Guernsey) Ordinance, 2018, section 1, with effect from 1st November, 2018, subject to the savings and transitional provisions in section 2 of the 2018 Ordinance;¹

the definition of the expression "prescribed amount" was substituted by the Income Tax (Pensions) (Contribution Limits and Tax-free Lump Sums) (Amendment) Regulations, 2018, regulation 1, with effect from 1st January, 2019.

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.

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.

1 These words were previously substituted by the Administrator of Income Tax (Guernsey) (Transfer of Functions) Ordinance, 2009, section 1, with effect from 25th February, 2009, subject to the savings and transitional provisions in section 2 of the 2009 Ordinance.

****** The text of this Explanatory Note is as it was when the Statutory Instrument was first made – that is to say that the Explanatory Note has not been updated to take account of any changes made by subsequent amending Statutory Instruments with their own Explanatory Notes.