



# STATES OF GUERNSEY INCOME TAX

TREASURY AND RESOURCES DEPARTMENT

## Summary of Allowances Year of Charge 2015

The standard rate of income tax is 20p in the £

<b>Single Person</b>	£ 9,675
<b>Single Person</b> aged 64 or over at the commencement of the year of charge	£11,450
<b>Married Person</b>	£19,350
<b>Married Person</b> either husband or wife aged 64 or over at the commencement of the year of charge	£21,125
<b>Married Person</b> both husband and wife aged 64 or over at the commencement of the year of charge	£22,900
<b>NOTE:</b> The Married Person's Allowance is reduced by the amount of any Wife's Earned Income Allowance given.	
<b>Wife's Earned Income:</b> Tax on a sum equal to the amount of the claimant's wife's net qualifying income. The maximum allowance is tax on <b>£9,675</b> if under the age of 64 or <b>£11,450</b> if age 64 or over.	
The Married Person's Allowance is reduced by the amount of any Wife's Earned Income Allowance given.	
<b>Dependent Relative</b>	£ 3,125
<b>NOTE 1:</b> If the relative's income exceeds <b>£6,550</b> the allowance is reduced by £1 for every £1 by which the relative's income exceeds <b>£6,550</b> .	
<b>NOTE 2:</b> If the relative is a child over the age of 19 years who is receiving full-time higher education, the allowance is reduced by <b>£260</b> for every month for which a family allowance is payable.	
<b>Charge of Children</b> Generally available only to lone parents	£ 6,550
<b>Life Assurance</b> No allowance.	
<b>Retirement Annuity</b> Tax at the standard rate on a sum equal to the qualifying premiums or contributions.	
<b>Infirm Person</b>	£ 3,125
<b>Housekeeper</b>	£ 3,125

# IN THE STATES OF THE ISLAND OF GUERNSEY ON THE 31ST DAY OF OCTOBER 2014

The States resolved as follows concerning Billet d'État No XXII  
dated 8<sup>th</sup> October 2014

## TREASURY AND RESOURCES DEPARTMENT

### STATES OF GUERNSEY BUDGET 2015

I.- After consideration of the Budget Report dated 30<sup>th</sup> September, 2014, of the Treasury and Resources Department:-

1. To extend the company intermediate income tax rate (10%) to income from the provision of administration services (as defined in the Protection of Investors (Bailiwick of Guernsey) Law, 1987), to unconnected third parties, and to direct the preparation of such legislation as may be necessary to give effect to this decision with effect from 1 January 2015.
2. To agree that the annual fee specified in section 5(1) of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 as amended, is increased from £600 to £1,200, and to direct the preparation of such legislation as may be necessary to give effect to this decision with effect from 1 January 2015.
3. To direct that section 40 of the Income Tax (Guernsey) Law, 1975 as amended, shall be further amended to introduce an exemption for the first £50 (£100 for a married couple where each party receives the interest), or such other sum as the Department may determine by regulation, of the total interest receivable by individuals from bank, building society, national (post office) savings or other savings accounts, no matter where the account is held, with effect from the 1 January 2015, and to authorise the Department to amend those descriptions of account by regulation should it prove necessary to do so for the purposes of clarification or the avoidance of doubt.
4. To reduce the cap on the amount of tax relief on interest paid in respect of a principal private residence in section 1(2)(b)(ii) of the Income Tax (Tax Relief on Interest Payments) (Guernsey) Ordinance, 2007 as amended, from £25,000 to £15,000 for any individual borrower (or from £50,000 to £30,000 for a married couple where each party to the marriage is the borrower), and to direct the preparation of such legislation as may be necessary to give effect to this decision with effect from 1 January 2015.
5. That the rates of excise duty in Guernsey and Alderney on the under mentioned goods shall be varied as follows:

Cigarettes	£280.30 per kilogram
Cigars	£260.29 per kilogram
Hand rolling tobacco	£242.39 per kilogram
Other manufactured tobacco	£210.25 per kilogram
Tobacco leaf – unstemmed	£233.39 per kilogram

Tobacco leaf – stemmed	£235.74 per kilogram
Petrol other than any fuel used for the purpose of air navigation	51.8p per litre
Petrol used for the purpose of marine navigation where supplied by an approved trader	36.6p per litre
Gas oil	51.8p per litre
Beer brewed by an independent small brewery	45p per litre
Other beer	71p per litre
Spirits not exceeding 5.5 per cent volume	63p per litre
Spirits exceeding 5.5 per cent volume but not exceeding 25.0 per cent volume	£8.81 per litre
Spirits exceeding 25.0 per cent volume but not exceeding 50.0 per cent volume	£11.71 per litre
Spirits exceeding 50.0 per cent volume	In the extra proportion to 50.0 per cent volume
Cider produced by an independent small cider-maker	45p per litre
Other cider	71p per litre
Light wines not exceeding 5.5 per cent volume	53p per litre
Light wines exceeding 5.5 per cent volume but not exceeding 15 per cent volume (including sparkling wines)	£2.17 per litre
Other wines	£3.47 per litre

6. To approve the draft Ordinance entitled “The Excise Duties (Budget) Ordinance, 2014” and to direct that the same shall have effect as an Ordinance of the States.
7. To note the Treasury and Resources Department’s intention to include within the 2016 Budget Report proposals to introduce a system of charging excise duty on alcohol based, as far as reasonably possible, on Alcohol by Volume, as set out in paragraphs 2.24 to 2.26 of this Report.
8. To note the Treasury and Resources Department’s intention to include within the 2016 Budget Report proposals to introduce an excise duty at the standard rate on the production and / or importation of biodiesel with conditional concessions, as set out in paragraphs 2.28 to 2.30 of this Report.
9. That the rates of Tax on Real Property in Guernsey and Alderney with effect from 1 January 2015 shall be as set out in paragraph 2.33 of this Report.
10. To approve the draft Ordinance entitled “The Property Tax (Rates) (Guernsey and Alderney) Ordinance, 2014” and to direct that the same shall have effect as an Ordinance of the States.
11. To approve the cash limits for ordinary revenue and capital expenditure for 2015 for individual Departments and Committees totalling £373,100,000 as set out in the following Table:

	Note	2015 Revenue Cash Limit £'000s	2015 Routine Capital £'000s	2015 Total Cash Limit £'000s	2014 Total Cash Limit £'000s
Policy Council					
General	1	9,275		<b>9,275</b>	8,125
Formula Led		2,485		<b>2,485</b>	2,400
Treasury and Resources:					
General	2	18,425	650	<b>19,075</b>	17,100
Formula Led		1,930		<b>1,930</b>	1,900
Commerce and Culture and Leisure Education	3	11,425		<b>11,425</b>	10,725
Timing of delivery of FTP		2,925	150	<b>3,075</b>	3,000
		73,000			
		<u>1,875</u>			
		74,875	<b>950</b>	<b>75,825</b>	72,100
Environment	4	9,025	850	<b>9,875</b>	7,825
Health and Social Services	5	<b>109,960</b>			
Timing of delivery of FTP		<u>3,250</u>			
		<b>113,210</b>	1,250	<b>114,460</b>	105,300
Home	6	32,225			
Timing of delivery of FTP		<u>200</u>			
		32,425	400	<b>32,825</b>	31,275
Housing		9,975		<b>9,975</b>	10,000
Public Services		4,400	350	<b>4,750</b>	3,950
Social Security					
General		3,010		<b>3,010</b>	2,675
Formula Led		56,110		<b>56,110</b>	54,400
Public Accounts		280		<b>280</b>	275
Scrutiny Committee		280		<b>280</b>	275
States Review Committee		-		-	95
Royal Court		2,800		<b>2,800</b>	2,800
Law Officers		4,675		<b>4,675</b>	4,560
States of Alderney	7	1,875		<b>1,875</b>	1,960
		<b>359,405</b>	<b>4,600</b>	<b>364,005</b>	341,190
Service Developments *		-	-	-	978
Backlog property		-	1,500	<b>1,500</b>	1,500
Budget Reserve		<b>6,195</b>	<b>1,400</b>	<b>7,595</b>	19,532
		<b>365,600</b>	<b>7,500</b>	<b>373,100</b>	<b>363,200</b>

12. To approve the Treasury and Resources Department commissioning, funded by a transfer from the Budget Reserve, an external assessment of the appropriate baseline budget for the Health and Social Services Department for current service provision and benchmarked to comparable service models in other jurisdictions.

13. To transfer the sum of £37,250,000 from General Revenue to the Capital Reserve on 1 January 2015.

14. To approve that the net capital proceeds of £958,472 from the sale of part of the Longfield site, Rue Maurepas, St Peter Port shall be transferred to the Capital Reserve with immediate effect.
15. To transfer the sum of £20,000,000 from the Corporate Housing Programme Fund to the Capital Reserve on 1 January 2015 with, from 2018 onwards, the funding for the Corporate Housing Programme being met through a combination of allocation from the Capital Reserve as part of the States Capital Prioritisation process and the transfer of States-owned sites.
16. To approve the closure of the Strategic Property Purchase Fund with immediate effect with the balance transferred to the Capital Reserve.
17. To approve the Treasury and Resources Department commissioning, funded by a transfer from the Budget Reserve, an external review of the appropriate level of investment return that should be generated from the States Trading assets.
18. To approve the establishment of a Core Investment Reserve by transferring £142,490,550 from the Contingency Reserve (General) with effect from 1 January 2014 and use of this Reserve to require States' approval and be limited to exceptional and specific circumstances of severe and structural decline or major emergencies.
19. To approve the closure of the Contingency Reserve (General) with immediate effect.
20. To agree that, with effect from 1 January 2014, the investment return on the Core Investment Reserve should be credited to that Reserve up to the level necessary to maintain its real value as at 1 January 2014 and any returns exceeding that level to be credited to the Capital Reserve.
21. To approve the closure of the Contingency Reserve (Tax Strategy) on 31 December 2014 with the balance transferred to the General Revenue Account Reserve.
22. To approve the establishment of an Economic Development Fund with immediate effect by transferring £7,000,000 from the Contingency Reserve (Tax Strategy) and to delegate authority to the Treasury and Resources Department to approve use of this Fund.
23. To approve the establishment of a Transformation and Transition Fund with immediate effect by transferring £25,000,000 from the Contingency Reserve (Tax Strategy); and to agree that requests to access the Fund shall be presented to and determined by the States of Deliberation, subject to the proviso that the Treasury & Resources Department shall have delegated authority to approve applications up to a maximum of £100,000 each.
24. To approve the closure of the Strategic Development Fund on 31 December 2014 with the liabilities and funding equal to the value of the liabilities transferred to the Economic Development Fund or Transformation and Transition Fund as set out in paragraph 5.35 and the balance transferred to the Transformation and Transition Fund.

25. To approve the closure of the Fundamental Spending Review Fund on 31 December 2014 with the liabilities and the balance transferred to the Transformation and Transition Fund.
26. To note the indicative Three Year Budgets set out in paragraph 6.15 of this Report.
27. To authorise the Treasury and Resources Department to issue a States of Guernsey Bond of £250million with a minimum term of 20 years and a maximum term of 40 years at such a time and on such terms as that Department considers to be in the best interests of the States; and to lend on the capital thereby raised to States owned entities, trading accounts and funds, the Guernsey Housing Association, the Alderney Housing Association and/or the Ladies' College on such terms that the Department may approve, subject to each recipient repaying such borrowing in full from a secure income stream and without direct recourse to General Revenue and, in accordance with policies of the States affirmed in 2004, 2006, 2009 and 2014, to direct the Treasury & Resources Department to report to the States as expeditiously as possible, but in any event by no later than the 2016 Budget Report, to demonstrate how all such borrowing has been or soon will be allocated clearly to individual recipients and how each recipient will be repaying such borrowing in full from a secure income stream and without recourse in any way to general revenue.
28. To delegate authority to the Policy Council to approve an increase in the value of the States of Guernsey Bond issue by a maximum of a further £80million, following consideration of a justification from the Treasury and Resources Department; and, in accordance with policies of the States affirmed in 2004, 2006, 2009 and 2014, to direct the Treasury & Resources Department to report to the States as expeditiously as possible, but in any event by no later than the 2016 Budget Report, to demonstrate how all such additional borrowing has been or soon will be allocated clearly to individual recipients and how each recipient will be repaying such borrowing in full from a secure income stream and without recourse in any way to general revenue.”
- 28A To instruct the Housing Department and Treasury & Resources Department to produce a joint report setting out proposals for the use of any such increase in the value of the Bond issue for the purposes of helping the people of Guernsey onto the property ladder by way of a first-time buyers' scheme along the lines set out in section 7.14 of this Report; such joint report to also:
  1. set out proposals that would help first time buyers but would not require funding from any Bond issue;
  2. set out the financial implications of such proposals; and
  3. be submitted to the States no later than 30 June 2015.
29. To note the intention of the Treasury and Resources Department to constitute a Bond Management Sub Committee as set out in paragraphs 7.20 of this Report.
30. To approve the establishment of a Bond Reserve, as set out in paragraph 7.21 of this Report, to be invested within the States General Investment Pool.
31. That the Treasury and Resources Department is only required to report once each year, as an Appendix to the Annual Accounts, on the use of its delegated authorities referred to in paragraph 8.2.

32. To delegate authority to the Treasury and Resources Department to approve increases in individual Department's revenue expenditure budget and routine capital allocations, funded by a transfer from the Budget Reserve.
33. To approve the establishment of a States of Alderney Economic Development Fund with effect from 1 January 2014 and to delegate authority to the Treasury and Resources Department to approve use of this Fund.
34. To delegate authority to the Treasury and Resources Department to approve transfers to the States of Alderney Economic Development Fund of a maximum of £900,000 from the surpluses received by the States of Alderney from the Alderney Gambling Control Commission.
35. To agree that the Alderney Gambling Control Commission surpluses received by the States of Alderney continue to be transferred to the States of Alderney capital allocation up to 31 December 2017.
36. (a) That, subject to the provisions of the Income Tax (Guernsey), Law 1975 and to the provisions of this Proposition, the allowances claimable for the Year of Charge 2015 by an individual solely or principally resident in Guernsey by way of relief from income tax at the individual standard rate, shall be the allowances specified in the First Schedule to this proposition.  
  
(b) That the allowances specified in the First Schedule to this Proposition shall only be granted to an individual who has made a claim in accordance with the provisions of the Income Tax (Guernsey), Law 1975, and who has proved the conditions applicable to such allowances and prescribed in the Second Schedule to this Proposition have been fulfilled.  
  
(c) That:  
    "Family Allowances" means Family Allowances payable under the Family Allowances (Guernsey) Law, 1950 as amended; and  
    "the Income Tax (Guernsey) Law, 1975" means that Law as amended, extended or applied by or under any other enactment.

**FIRST SCHEDULE**  
**Year of Charge 2015**

Allowances claimable by an individual solely or principally resident in Guernsey by way of relief from income tax at the standard rate.

<u>NATURE OF ALLOWANCE</u>	<u>AMOUNT OF ALLOWANCE</u>
<b>1. Personal Allowance</b> (i) for married persons	<p>Tax at the standard rate on £19,350. Provided firstly that the allowance shall be reduced by the sum of £1 for every pound of wife's earned income allowance granted. Provided secondly that, should a divorce or separation occur in the year of charge, the allowance shall be reduced accordingly, and shall be calculated on the basis of the number of days in the year of charge which precede that event. In such a case each spouse shall receive a reduced share of the appropriate allowance for single persons specified in (iv) or (v) below for the remainder of the year of charge, which shall be calculated on the basis of the number of days remaining in the year of charge (including the day of the divorce, or separation). Provided thirdly that in the case of the death of a husband, the deceased shall be entitled to the allowance for the full year of charge, reduced by the amount of the appropriate allowance for single persons specified in (iv) or (v) below granted to the widow for the remainder of the year of charge from (and including) the husband's date of death; and in the case of the death of a wife, the husband shall be entitled to the allowance for the full year of charge.</p> <p>For the purposes of this paragraph and paragraphs (ii) to (v) below, "divorce" means that the Court for Matrimonial Causes has made a Final Order on a decree of divorce or of nullity of marriage in respect of the marriage in question or that the courts of another jurisdiction have made a corresponding order in respect thereof</p>



(ii) for married persons where, at the commencement of the year of charge either he, or his wife living with him, was of the age of 64 years or over.

Tax at the standard rate on £21,125. Provided firstly that the allowance shall be reduced by the sum of £1 for every pound of wife's earned income allowance granted. Provided secondly that, should a divorce or separation occur in the year of charge, the allowance shall be reduced accordingly, and shall be calculated on the basis of the number of days in the year of charge which precede that event. In such a case each spouse shall receive a reduced share of the appropriate allowance for single persons specified in (iv) or (v) below for the remainder of the year of charge, which shall be calculated on the basis of the number of days remaining in the year of charge (including the day of the divorce or separation). Provided thirdly that in the case of the death of a husband, the deceased shall be entitled to the allowance for the full year of charge, reduced by the amount of the appropriate allowance for single persons specified in (iv) or (v) below granted to the widow for the remainder of the year of charge from (and including) the husband's date of death; and in the case of the death of a wife, the husband shall be entitled to the allowance for the full year of charge.

(iii) for married persons where, at the commencement of the year of charge, both he, and his wife living with him, were of the age of 64 years or over.

Tax at the standard rate on £22,900. Provided firstly that the allowance shall be reduced by the sum of £1 for every pound of wife's earned income allowance granted. Provided secondly that, should a divorce or separation occur in the year of charge, the allowance shall be reduced accordingly, and shall be calculated on the basis of the number of days in the year of charge which precede that event. In such a case each spouse shall receive a reduced share of the appropriate allowance for single persons specified in (iv) or (v) below for the remainder of the year of charge, which shall be calculated on the basis of the number of days remaining in the year of charge (including the day of the divorce or separation). Provided thirdly that in the case of the death of a husband, the deceased shall be entitled to the allowance for the full year of charge, reduced by the amount of the appropriate allowance for single persons specified in (iv) or (v) below granted to the widow for the remainder of the year of

charge from (and including) the husband's date of death; and in the case of the death of a wife, the husband shall be entitled to the allowance for the full year of charge.

(iv) for single persons.

Tax at the standard rate on £9,675, but subject to the second and third provisos relating to divorce, separation or death set out in (i), (ii) or (iii) above.

(v) for single persons aged 64 years or over at the commencement of the year of charge.

Tax at the standard rate on £11,450, but subject to the second and third provisos relating to divorce, separation or death set out in (i), (ii) or (iii) above.

## **2. Dependent Relative Allowance**

In respect of each dependent relative - tax at the standard rate on £3,125 or on the amount of the contributions whichever is less:

Provided that if the income of the dependent relative (exclusive of any contribution) exceeds £6,550 the allowance shall be reduced to tax at the standard rate on such sum as remains after subtracting from £3,125 the sum of £1 for every pound by which the dependent relative's income exceeds £6,550.

Provided further that if any Family Allowances are payable in respect of the dependent relative, the allowance shall be further reduced to tax at the standard rate on such sum as remains after subtracting from £3,125, or such lesser sum as remains after deducting from £3,125 the sum of £1 for every pound by which the dependent relative's income exceeds £6,550, the sum of £260 for every month in the year of charge for which such Family Allowances are payable.

## **3. Infirm Person's Allowance**

Tax at the standard rate on £3,125.

## **4. Housekeeper Allowance**

Tax at the standard rate on £3,125.

## **5. Wife's Earned Income Allowance**

Tax at the standard rate on a sum equal to the amount of the claimant's wife's net qualifying income but not exceeding tax at the standard rate on £9,675.

## **6. Charge of Children Allowance**

Tax at the standard rate on £6,550.

## **7. Retirement Annuity Allowance**

Tax at the standard rate on a sum equal to the qualifying premiums or contributions.

## SECOND SCHEDULE

Conditions applicable to the allowances specified in the First Schedule

### 1. Personal Allowance

- (1) The conditions to be fulfilled to entitle the claimant to the personal allowance are:
- (a) in respect of the allowance specified in paragraph 1(i), (ii) or (iii) of the First Schedule ("married persons") -
    - (i) that at the commencement of the year of charge the claimant's wife is living with him or is wholly maintained by him; and
    - (ii) that in computing his assessable income for that year the claimant is not entitled to make any reduction on account of any payment made for his wife's maintenance.  
*Provided that if any question arises as to whether a wife is or is not wholly maintained by her husband, the question shall be determined by reference to the financial circumstances of the wife.*
  - (b) in respect of the allowance specified in paragraph 1(iv) or (v) of the First Schedule ("single persons")-
    - (i) that the claimant is not entitled to an allowance specified in paragraph 1(i), (ii) or (iii) of the First Schedule ("married persons"); or
    - (ii) that the claimant is subject to the second or third proviso relating to divorce, separation or death set out in the said paragraph 1(i), (ii) or (iii).

### 2. Dependent Relative Allowance

- A. (1) The conditions to be fulfilled to entitle a claimant to a dependent relative allowance in the case of a child receiving higher education are:
- (a) that the child in respect of whom an allowance is claimed -
    - (i) is the child of the claimant, or
    - (ii) is the illegitimate child of the claimant and in the year of charge is maintained by the claimant;
  - (b) that on the first day of August in the year of charge, the child is over the age of nineteen years and is, in that year of charge, receiving full-time instruction at any university, college, school or other educational establishment.
- (2) The expression "child" shall include a stepchild, and a child who has been lawfully adopted shall be treated as the child of the individual by whom he has been so adopted and not as the child of the natural parent.
- (3) Where a man and a woman are cohabiting as husband and wife and either has a child in respect of whom a dependent relative allowance is claimable the man or woman as the case may be, and by a notice in writing addressed to the Director, may elect that, for the purposes of the said allowance, the child shall be treated as if it were the child of the cohabitee.

- (4) In computing the amount of a child's income in his own right, no account shall be taken of any sum to which the child is entitled as the holder of a scholarship, bursary or other similar educational endowment.
  - (5) Where two or more persons jointly maintain or contribute towards the maintenance of any such person as aforesaid, the allowance shall be apportioned between them in proportion to the amount or value of their respective contributions towards the maintenance of that person.
- B. (1) The conditions to be fulfilled to entitle a claimant to a dependent relative allowance in any other case are:
- (a) that the claimant at his own expense maintains or contributes towards the maintenance of a person being a relative of the claimant or of the claimant's spouse; and
  - (b) that the person so maintained is prevented by incapacity due to old age or infirmity from maintaining himself; and
  - (c) that the claim relates to a dependent relative in respect of whom a claim has already been made for a year of charge prior to the Year of Charge 2009.
- (2) Where two or more persons jointly maintain or contribute towards the maintenance of any such person as aforesaid, the allowance shall be apportioned between them in proportion to the amount or value of their respective contributions towards the maintenance of that person.

### 3. **Infirm Person's Allowance**

- (1) The conditions to be fulfilled to entitle a claimant to an infirm person's allowance are:
- (a) that the claimant is by reason of old age or infirmity or by reason of the old age or infirmity of the claimant's spouse compelled to maintain or employ an individual solely for the purpose of having care of the claimant or the claimant's spouse;
- Provided that the allowance shall not be granted by reason of infirmity unless throughout the year the claimant or the claimant's spouse was permanently incapacitated by physical or mental infirmity.*
- (b) if such an individual is a relative of the claimant or of the claimant's spouse and if the claimant is entitled to any other allowance in the First Schedule in respect of that individual, that the claim has been relinquished;
  - (c) that the claim relates to an infirm person in respect of whom a claim has already been made for a year of charge prior to the Year of Charge 2009.
- (2) Not more than one allowance shall be allowed to any claimant for any year.

#### **4. Housekeeper Allowance**

- (1) The conditions to be fulfilled to entitle the claimant to a housekeeper allowance are:
  - (a) that the claimant is a widow or widower.
  - (b) that in the year of charge a person is employed or maintained by the claimant solely for the purpose of acting in the capacity of a housekeeper for the claimant;
  - (c) if such person is a relative of the claimant or of the claimant's deceased spouse and if the claimant is entitled to any other allowance in the First Schedule in respect of that person, that the claim has been relinquished;
  - (d) that the claim relates to a housekeeper in respect of whom a claim has already been made for a year of charge prior to the Year of Charge 2009.
- (2) A housekeeper allowance shall not be granted to any individual for any year in respect of more than one person.
- (3) A housekeeper allowance shall not be granted to any individual for any year if such individual is entitled for that year to a personal allowance for married persons, or to an infirm person's allowance.
- (4) "Housekeeper" means a person who is responsible by delegation for the management of the household, including arrangements for food, housekeeping expenditure and the care of linen and laundry.

#### **5. Wife's Earned Income Allowance**

- (1) The conditions to be fulfilled to entitle a claimant to a wife's earned income allowance are that the claimant is entitled to the personal allowance for married persons and that there is included in the claimant's assessable income some earned income arising or accruing to the claimant's wife.
- (2) "Earned income" has the meaning assigned to it by section 148 of the Income Tax (Guernsey) Law, 1975.

#### **6. Charge of Children Allowance**

- (1) The conditions to be fulfilled to entitle a claimant who is also entitled to the personal allowance for married persons to a charge of children allowance are:
  - (a) that in the year of charge the claimant, or the claimant's spouse, is in receipt of Family Allowances in respect of one or more children, and
  - (b) that the claimant proves that throughout the year either he or his wife is totally incapacitated by physical or mental infirmity and that a person is

maintained or employed by him for the purpose of having the charge and care of the child, and

- (c) that neither the claimant nor any other individual is entitled to a dependent relative allowance in respect of the person so employed or maintained, or if he or any other individual is so entitled, that the claim has been relinquished.
- (2) The conditions to be fulfilled to entitle a claimant who is entitled to the personal allowance appropriate to persons other than married persons to a charge of children allowance are that in the year of charge:
- (a) the claimant is in receipt of Family Allowances in respect of one or more children, and
  - (b) the claimant is not cohabiting with another person, except where –
    - (i) the claimant proves that throughout the year either he or his cohabitee is totally incapacitated by physical or mental infirmity, and that a third person is maintained or employed by him for the purpose of having the charge and care of the child, and
    - (ii) neither the claimant nor any other individual is entitled to a dependent relative allowance in respect of the person so employed or maintained or if he or any other individual is so entitled that the claim has been relinquished.

Provided that where the recipient of a family allowance is not entitled to claim the charge of children allowance because he is cohabiting with another person, he may, in respect of the year of charge, by notice in writing addressed to the Administrator, elect that the whole, or any unused part of, the personal allowance to which he would otherwise be entitled shall cease to be his and shall become an additional personal allowance of the person with whom he is cohabiting, such election, once made, to be irrevocable in respect of that year of charge.

For the purposes of this paragraph "cohabiting" means living with another person as that person's husband or wife throughout the year of charge.

- (3) The claimant shall have relinquished any claim to a housekeeper allowance or to an infirm person's allowance for that year.
- (4) Where an individual is entitled to claim a dependent relative allowance in the case of a child receiving higher education he shall, for the purposes of the preceding paragraphs numbered (1) to (3), be treated as if he were in receipt of a Family Allowance in respect of the said child.

Provided that if there are two such individuals the charge of children allowance shall be apportioned between them in proportion to the amount or value of their respective contributions towards the maintenance of that child.

- (5) Not more than one allowance shall be granted to any claimant for any year.

## 7. Retirement Annuity Allowance

- (1) The conditions to be fulfilled to entitle a claimant to a retirement annuity allowance are that the claimant pays a premium or makes a contribution to a retirement annuity scheme or to a retirement annuity trust scheme approved under the provisions of section 157A of the Income Tax (Guernsey) Law, 1975 and of which he is a beneficiary.
- (2) Subject to the provisions of the next succeeding paragraph the qualifying premiums or contributions, as the case may be, shall be the amount of any premium paid or contribution made by the claimant during the year of computation of the income of the claimant assessable for the year of charge.
- (3) Notwithstanding the provisions of the preceding paragraph no allowance shall be given in respect of any qualifying premiums or contributions to the extent that, in aggregate, they exceed:
  - (a) 100% of the income of the claimant during the year of computation referred to in the preceding subparagraph, or
  - (b) any retirement annuity contribution limit for the time being prescribed by Regulations made by the Department.
- (4) In the case of a married couple:
  - (a) for the avoidance of doubt, the allowances specified in this paragraph apply in respect of each party to the marriage, and each party to the marriage may be considered to be the claimant for the purposes of this paragraph, irrespective of whether the couple are jointly assessed or separately assessed by virtue of an application under section 46 of the Income Tax (Guernsey) Law, 1975, and
  - (b) for the purposes of this paragraph, and notwithstanding subparagraph (1), either party to the marriage may also pay (and an allowance may be granted in respect of) qualifying premiums or contributions to a retirement annuity scheme or retirement annuity trust scheme of which the other party is a beneficiary, provided that the maximum allowance granted in respect of any individual may not exceed the limit prescribed in subparagraph (3).

37. To approve the following Expenditure Budgets for the year 2015:

- (a) Policy Council
- (b) Treasury and Resources Department
- (c) Commerce and Employment Department
- (d) Culture and Leisure Department
- (e) Education Department
- (f) Environment Department
- (g) Health and Social Services Department
- (h) Home Department
- (i) Housing Department
- (j) Public Services Department

- (k) Social Security Department
- (l) Public Accounts Committee
- (m) Scrutiny Committee
- (n) Royal Court
- (o) Law Officers

38. To approve the following Budgets for the year 2015 and Probable Outturns for 2014:

- (a) Corporate Housing Programme
- (b) Guernsey Registry
- (c) Ports
- (d) Guernsey Water
- (e) States Works
- (f) Guernsey Dairy
- (g) States Capital Investment Portfolio – Operating Costs
- (h) Superannuation Fund Administration
- (i) Social Security Department – Contributory Funds

39. To note the Budget for the States of Alderney for 2015.

39A To note that since 2012, and in accordance with planned preventative maintenance for elemental refurbishment of Les Beaucamps High School as agreed at the time of the redevelopment of the school, the Education Department has received a specific amount of £175,000 per annum; and to note that the Treasury & Resources Department fully supports the Education Department in its plans to ensure that the school is maintained appropriately in order to maximise its useful life and deliver optimum value for money in return for the substantial capital sum expended; and, therefore, to direct the Treasury & Resources Department to continue to allocate for this purpose £175,000 per annum in subsequent years in addition to the Education Department's net routine capital expenditure budget; and to direct that in the 2016 Budget Report the Treasury & Resources Department, after consultation with the Education Department, shall set out proposals regarding the appropriate governance of and access to the aforementioned ring-fenced maintenance funds for Les Beaucamps High School.

S M D ROSS  
HER MAJESTY'S DEPUTY GREFFIER