

## **Are contributions paid to Retirement Annuity Contracts and Retirement Annuity Trust Schemes (RATS) eligible for tax relief?**

Yes, but only in respect of Guernsey approved schemes.

## **What should I do when I become entitled to receive a Guernsey Old Age Pension or a state pension from the United Kingdom or another jurisdiction?**

Please notify the Income Tax Office of the date when the pension commences and provide details of the amount of the pension you will be receiving each week/month.

When you retire you should provide the following information to the Income Tax Office:

- The date of your retirement.
- If you receive, or will commence to receive, a pension which was not shown on your last income tax return, please provide, in respect of each such pension separately:
  - (a) the nature of the pension (e.g. Social Security Old Age Pension, occupational pension from a previous employer, personal pension);
  - (b) the jurisdiction from where the pension is paid;
  - (c) the weekly, monthly, quarterly or annual rate of the pension;
  - (d) the date it commenced, or will commence, to be paid;
  - (e) whether overseas tax will be paid on the pension.
- If you will be continuing to work (e.g. part time) we will also require the name and address of your employer.

## Guernsey or UK Old Age Pensions

If you are in receipt of a Guernsey Social Security or United Kingdom State Old Age Pension no tax is deducted at source. These pensions must still be declared on your income tax return. As tax is due on your pension income in the year it is received (or accrues) an interim assessment may have to be issued so that you know how much tax will be payable. Please therefore contact us on (01481) 740123 once you know when you will commence receiving the pension, and the amount you will receive, to ensure the correct tax is paid.

Alternatively, please write in or email [taxenquiries@gov.gg](mailto:taxenquiries@gov.gg), quoting your tax reference number and the information above with the subject "Commencing to receive a pension".

## Guernsey occupational pensions & Guernsey personal pensions

If you are in receipt of a Guernsey occupational pension or personal pension, a Coding Notice will be issued to your pension provider in order that the necessary tax may be deducted at source (in a similar way to an employer deducting tax at source from wages).

## UK / Overseas occupational or personal pensions

If you are principally resident in Guernsey you are liable to Guernsey income tax on your worldwide income. However, if you have paid tax in a jurisdiction other than the United Kingdom, you may claim relief for that against your Guernsey tax liability by providing this office with evidence of the tax deducted (e.g. overseas final assessments).

Since 6 April 2010, where an individual resident in Guernsey, in receipt of UK pensions, completes a "DT Individual Form", they no longer pay United Kingdom income tax on their UK pensions but will, instead, only be subject to Guernsey income tax. **Form DT/Individual** can be obtained by writing to:

HM Revenue and Customs – Centre for Non Residents  
Fitz Roy House  
PO Box 46  
Nottingham  
England  
NG2 1BD

Alternatively a copy of the form may be downloaded from the HMRC website [www.hmrc.gov.uk/cnr/dtindividual.pdf](http://www.hmrc.gov.uk/cnr/dtindividual.pdf)

If you are eligible to complete a DT Individual Form, but you do not do so, no relief can be given in Guernsey for the UK tax you will have paid.

## Other Income

You will continue to be taxable on your other income (e.g. bank interest, investments, rental income) if your total income exceeds the amount of your personal allowances.

## Your Personal Tax Allowance

Your personal allowance increases the year you become 65. The allowances are determined each year by the States. The current allowances are shown on the **monetary values** leaflet (see [www.gov.gg/tax](http://www.gov.gg/tax) under “Rates and allowances”).

## If you leave Guernsey and are in receipt of an occupational or personal pension from Guernsey

With effect from 1 January 2010, all Guernsey pensions that are paid to residents of the United Kingdom will, on the completion of a “Form 675”, no longer be subject to Guernsey income tax but will, instead, only be subject to United Kingdom income tax. If you wish to claim exemption from Guernsey income tax in respect of your pension, please obtain **Form 675** (available from our website [www.gov.gg/tax](http://www.gov.gg/tax) under “Other tax forms”).

If you live in a jurisdiction other than the United Kingdom and your pension is left in Guernsey, it will be subject to Guernsey income tax at 20%. However, with effect from 1 January 2010 you are entitled to claim, against your Guernsey pension, the personal and other allowances to which you would have been entitled had you been resident in Guernsey. If you wish to make such a claim please obtain **Form 676** (available from our website [www.gov.gg/tax](http://www.gov.gg/tax) under “Other tax forms”).

## If you leave Guernsey and are in receipt of a Guernsey Old Age Pension

If you are not resident in Guernsey, by concession, Guernsey income tax will not be due on a Guernsey Old Age Pension but it will need to be declared in your country of residence, depending on the tax laws there.