

E45 **LUMP SUMS PAID UNDER OVERSEAS PENSION SCHEMES (section 17)**

Income tax is chargeable under section 17 of the Law, on lump sum benefits received by an individual, which arise in commutation of or in lieu of a pension which would otherwise have been payable to the individual to whom the lump sum is paid. This includes lump sums from overseas pension schemes which were built up in respect of an employee's overseas service.

An exemption from tax is available of up to 30% of the accumulated fund value, where the lump sum, or part of the lump sum, arises from the commutation of any part of an interest in an overseas pension scheme, which would otherwise be taxable under section 17. This is equivalent to the tax free lump sum that could be obtained if the interest in the overseas scheme had been transferred into an approved Guernsey pension scheme.

Published: 2004

Revised: 2011 / 16.10.15