



INCOME TAX ACT 1989

INCOME TAX (APPROVED PERSONAL PENSION SCHEMES) (VALUE OF MEMBER'S FUNDS) REGULATIONS 2008

Approved by Tynwald 16th July 2008

Coming into operation in accordance with regulation 1(2)

In exercise of the powers conferred on the Treasury by sections 8A(6), 8A(7), 8B(6) and 8B(7) of the Income Tax Act 1989¹, and of all other enabling powers, the following Regulations are hereby made:-

Citation and commencement

- (1) These Regulations may be cited as the Income Tax (Approved Personal Pension Schemes) (Value of Member's Funds) Regulations 2008.
- (2) These Regulations shall come into operation on the date on which they are approved by Tynwald and shall have effect in respect of the income tax year commencing 6th April 2008 and subsequent years.

Interpretation

2. In these Regulations-

“the 1989 Act” means the Income Tax Act 1989;

“approved pension scheme” means any scheme or arrangement approved by the Assessor under the 1989 Act;

“member” has the same meaning as section 1 of the 1989 Act;

“valuation date” is a date not earlier than 30 days prior to the date on which tax is payable under section 8A(4) or 8B(4) of the 1989 Act.

¹ 1989 c.10

Value of member's funds

3. Subject to regulation 4, the value of the member's funds for the purposes of section 8A(7) and 8B(7) is the open market value of all monies, assets and investments held for the member under an approved pension scheme on the valuation date less any arrears of pension payable to the member's estate and fees and other costs payable in accordance with the rules of the approved pension scheme.

Value of member's funds being transferred to another approved pension scheme

4. The value of member's funds transferred within the same or to another approved pension scheme shall, for the purpose of section 8A and 8B of the 1989 Act, be nil.

Made this 11th day of June 2008



Minister for the Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

A pension that is in payment is subject to income tax via the annual assessment process. If a pension has been paid directly from the funds held by an approved pension scheme and those funds are available for distribution to another person following the death of the member or following the cessation of pension payable to a surviving spouse or dependent, the amount distributed is subject to income tax at the prescribed rate set by the Income Tax (Approved Personal Pension Schemes) (Rate of Tax on Balance of Funds) Order 2008².

If the funds are not being distributed, but are transferred to another approved pension scheme, no tax will be payable on the transfer value.

² Statutory Document 512/08