



**INCOME TAX**

**EXTRA STATUTORY CONCESSION**

**APPROVED PERSONAL PENSIONS  
PENSIONS TO MEMBERS UNDER THE AGE OF 50**

*Approved by Tynwald*

*20<sup>th</sup> January 2009*

*Coming into operation in accordance with paragraph 1*

Notwithstanding the provisions of the Income Tax Act 1989<sup>a</sup>, the Treasury authorises the following concession -

- 1) This concession will have effect from 6 April 2008.

**Interpretation**

- 2) In this concession:

‘immediate benefits’ means a withdrawal of funds during the life of a member of a pension scheme before the member attains the age of 50 where such withdrawal of funds shall be deemed to satisfy the provisions of section 4A of the Act;

‘pension scheme’ means a pension scheme or arrangement approved by the Assessor of Income Tax; and

‘the Act’ means the Income Tax Act 1989.

**Pensions Commencing Before the Member Attains the Age of 50**

- 3) Pension schemes approved under Part 1 of the Act must not provide benefits before the member attains the age of 50 unless the member either suffers serious ill health or has an occupation in which persons customarily retire before that age.
- 4) Recognising that after the death of a member at any age benefits can be provided to the


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<sup>a</sup> 1989 c.10

surviving spouse or a dependant of the member, the Assessor may approve a pension scheme under Part 1 of the Act, which will receive as a contribution funds from another pension scheme and whose sole purpose is the provision of immediate benefits to a member who, under the terms of that other scheme, is a surviving spouse or a dependant of a deceased member of that other scheme.

- 5) Only funds received as a contribution from another pension scheme shall be used for the provision of immediate benefits by a pension scheme approved under this concession. Other contributions of whatever kind shall not be used for the provision of immediate benefits, and shall only be used for the provision of benefits in accordance with the rules of the pension scheme.
- 6) A pension scheme approved under this concession may, at any time, use the fund remaining from the contribution from another pension scheme to purchase an annuity which would satisfy the conditions of section 6 of the Act.
- 7) This concession may be cancelled at any time.

MADE 10<sup>th</sup> December 2008

  
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*Minister for the Treasury*

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#### ***EXPLANATORY NOTE***

***(This note is not part of the Concession)***

Occupational pension schemes supporting surviving spouses and dependants who are entitled to pension benefits following the death of a member may have limited options: for example, a suitable annuity may not be available. Such circumstances are rare, but Treasury wishes by way of this concession to make available an additional option allowing immediate benefits to be paid to surviving spouses and dependants.

The Concession provides an additional option, and all other options open to pension schemes, such as purchasing an annuity, are unaffected by it.