

Statutory Document No. 2016/0029



Income Tax (Retirement Benefit Schemes) Act 1978 and Income Tax Act 1989

INCOME TAX (APPROVED PENSION SCHEMES) (TRIVIAL COMMUTATION LUMP SUMS) (AMENDMENT) REGULATIONS 2016

Approved by Tynwald: 16 February 2016
Coming into Operation: 6 April 2016

The Treasury makes the following Regulations under section 2(5) and 2(6)(b) of the Income Tax (Retirement Benefit Schemes) Act 1978 and section 5A(2) of the Income Tax Act 1989.

1 Title

These Regulations are the Income Tax (Approved Pension Schemes) (Trivial Commutation Lump Sums) (Amendment) Regulations 2016.

2 Commencement

If approved by Tynwald¹, these Regulations come into operation on 6 April 2016 and shall have effect in respect of the income tax year commencing 6 April 2016 and all subsequent years.

3 Amendment of the Income Tax (Approved Pension Schemes) (Trivial Commutation Lump Sums) Regulations 2008

(1) For the definition of “the commutation limit” in regulation 2 of the Income Tax (Approved Pension Schemes) (Trivial Commutation Lump Sums) Regulations 2008² substitute –

“the commutation limit” is £50,000, or such lower amount remaining after payment of trivial commutation lump sums paid during the commutation period;

(2) In regulation 3(ii)(d), for “60” substitute **55**.

¹ Tynwald approval is required by paragraph 6 of Schedule 2 to the Income Tax (Retirement Benefit Schemes) Act 1978 and by section 5A(3) of the Income Tax Act 1989

² SD 508/08

4 Revocation

The Income Tax (Approved Pension Schemes) (Trivial Commutation Lump Sums) (Amendment) Regulations 2015 are revoked³.

MADE 25TH JANUARY 2016

W E TEARE
Minister for the Treasury

³ SD 2015/0020

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations substitute the definition of “the commutation limit” in regulation 2 of the Income Tax (Approved Pension Schemes) (Trivial Commutation Lump Sums) Regulations 2008 (SD 508/08). The effect of the substitution is to increase the overall trivial commutation limit from £30,000 to £50,000 with effect from 6 April 2016. The Regulations further amend SD 508/08 by reducing the age at which trivial commutation can be paid from 60 years of age to 55 with effect from the same date.

Finally, the Regulations revoke the Income Tax (Approved Pension Schemes) (Trivial Commutation Lump Sums) (Amendment) Regulations 2015 (SD 2015/0020) which previously increased the overall trivial commutation limit.