

Statutory Document No. 2017/0376



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

## **INCOME TAX (APPROVED PENSION SCHEMES) (AMENDMENT) REGULATIONS 2018**

*Approved by Tynwald: 20<sup>th</sup> February 2018  
Coming into Operation: 6<sup>th</sup> April 2018*

The Treasury makes the following Regulations under section 2(5), 2(6)(b) and 14(1) of the Income Tax (Retirement Benefit Schemes) Act 1978 and section 1(1) and 5A(2) of the Income Tax Act 1989.

### **1 Title**

These Regulations are the Income Tax (Approved Pension Schemes) (Amendment) Regulations 2018.

### **2 Commencement**

If approved by Tynwald<sup>1</sup>, these Regulations come into operation on 6 April 2018 and shall have effect in respect of the income tax year commencing 6 April 2018 and all subsequent years.

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

For the definition of “the commutation limit” in regulation 2 (interpretation) of the Income Tax (Approved Pension Schemes) (Trivial Commutation Lump Sums) Regulations 2008<sup>2</sup> substitute –

“the commutation limit” is £100,000, or such lower amount remaining after payment of trivial commutation lump sums paid during the commutation period;”.

### **4 Revocation**

Regulation 3(1) of the Income Tax (Approved Pension Schemes) (Trivial Commutation Lump Sums) (Amendment) Regulations 2016<sup>3</sup> is revoked.

<sup>1</sup> 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

<sup>2</sup> SD 508/08

<sup>3</sup> SD 2016/0029

**5 Annual allowance**

For the purposes of the definition of “annual allowance” in section 14(1) of the Income Tax (Retirement Benefit Schemes) Act 1978 and in section 1(1) of the Income Tax Act 1989, the prescribed amount is £50,000.

**MADE 25<sup>TH</sup> JANUARY 2018**

**A L CANNAN**  
*Minister for the Treasury*

*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 £50,000 to £100,000 with effect from 6 April 2018.

The Regulations also revoke regulation 3(1) of the Income Tax (Approved Pension Schemes) (Trivial Commutation Lump Sums) (Amendment) Regulations 2016 (SD 2016/0029) which previously increased the overall trivial commutation limit.

Lastly, the Regulations change the annual allowance for a pension scheme approved by the Assessor under the Income Tax (Retirement Benefit Schemes) Act 1978 or the Income Tax Act 1989 to £50,000.