



INCOME TAX

EXTRA STATUTORY CONCESSION

**CONCURRENCY OF PERSONAL PENSION PLANS
AND OCCUPATIONAL PENSION SCHEMES**

Approved by Tynwald

19th June 2007

Notwithstanding the provisions of the Income Tax Acts the Treasury authorises the following concession -

1. This Concession has effect in respect of the assessment year commencing on 6th April 2007 and all subsequent assessment years until it is withdrawn or superseded by statute .
2. For the purposes of this concession—

“Personal pension plan” means an arrangement made by any individual to provide an annuity, income withdrawals or a lump sum in accordance with the rules of the pension scheme and subject to the provisions contained within the Income Tax Act 1989;

“Occupational pension scheme” means a scheme set up by an employer to provide its employees or members with a pension on retirement which is subject to the provisions contained within the Income Tax (Retirement Benefits) Act 1978;

"Relevant income" includes:

- 'remuneration' defined in section 2C Income Tax Act 1970, subject to the restriction included in section 14 Income Tax (Retirement Benefit Schemes) Act 1978; and
 - 'net relevant earnings defined in section 17 Income Tax Act 1989 Act,
3. An individual may be a member of and contribute to both a personal pension plan and an occupational pension scheme concurrently without the requirement for separate sources of relevant income.
 4. The maximum aggregate contribution that an individual may make into a personal pension plan and an occupational pension scheme is 15% of the individual's total relevant income in a year of assessment.
 5. This concession is of general application, but it must be borne in mind that in a particular case there may be special circumstances which will require to be taken into account in considering the application of the concession. This concession will be withdrawn in any case where it can be seen that the concession has been or is intended to be subject to abuse.

MADE 23rd May 2007



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Minister for the Treasury

EXPLANATORY NOTE
(This note is not part of the Concession)

Significant changes have been made to the pension legislation in the United Kingdom recently. The intention of this concession is to extend similar benefits available in the United Kingdom to Manx pension schemes. This concession allows an individual to make contributions to both a personal pension plan and an occupational pension without the need for separate sources of earnings. The overall maximum contribution that an individual may make is 15% of the net relevant earnings.