

INCOME TAX

EXTRA STATUTORY CONCESSION

PENSIONS PAID TO EMPLOYEES DISABLED AT WORK

Approved by Tynwald

20th April 2005

Coming into operation in accordance with Article 1


The Treasury has agreed the following Concession –

1. This Concession has effect for the year of assessment commencing 6th April 2004.
2. The Concession dated 4th September 1991 (Government Circular No. 282/91) is cancelled with effect from 5th April 2004.
3. The exempt amount of a disablement pension is not treated as income for income tax purposes.
4. For the purposes of this concession a pension is a “disablement pension” if –
 - (a) the pension is payable because a person has ceased to hold an employment or office because of disablement, and
 - (b) that disablement is attributable to –
 - (i) performance of the duties of the employment or office, or
 - (ii) war injuries
5. The exempt amount of a disablement pension is the amount by which it exceeds the pension that would have been awarded if the disablement had not been attributable to 4.(b) (i) or (ii) above.
6. The whole of a pension that is awarded solely on account of disablement is exempt.
7. A disablement pension does not include –
 - (a) in respect of a retirement benefits scheme –
 - (i) any pension or annuity paid under a scheme which is either approved or being considered for approval, and
 - (ii) any annuity acquired using funds held for the purposes of a scheme which is either approved or being considered for approval.
 - (b) in respect of a former approved superannuation fund –
 - (i) any annuity paid under a former approved fund, and
 - (ii) any annuity acquired using funds held for the purposes of a former approved fund.

(a) 1998 c.4 ; (b) 1991 c.18 ; (c) Vol. XXI p.260

8. This concession may be cancelled at any time

MADE 9th March 2005



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Minister for the Treasury

January 2005.