



Jersey

INCOME TAX (MINIMUM RETIREMENT CAPITAL) (JERSEY) ORDER 2017

Official Consolidated Version

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Showing the law from 11 January 2024 to Current



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INCOME TAX (MINIMUM RETIREMENT CAPITAL) (JERSEY) ORDER 2017

THE MINISTER FOR TREASURY AND RESOURCES, in pursuance of Articles 131FA(2) and (3), 131FB(3) and 144 of the [Income Tax \(Jersey\) Law 1961](#), orders as follows –

Commencement [[see endnotes](#)]

1 Interpretation

In this Order “Law” means the [Income Tax \(Jersey\) Law 1961](#).

2 Relevant capital threshold

In accordance with Article 131FA of the Law, an individual is entitled to minimum retirement capital if, on the day for which the entitlement is to be determined, the individual is entitled to relevant capital in excess of such threshold determined using the following formula –

$$\text{MRI} \times \text{MRC Factor} \times \text{Coefficient}$$

Where –

MRI is the annual amount of minimum retirement income (within the meaning given by Article 130(1) of the Law);

Coefficient is 2.25;

MRC Factor is determined in accordance with the following table –

Age of the individual on the day the approved drawdown contract (within the meaning given by Article 130(1) of the Law) is to be made	MRC Factor
50	46.208
51	44.699
52	43.211
53	41.745
54	40.299
55	38.870

Age of the individual on the day the approved drawdown contract (within the meaning given by Article 130(1) of the Law) is to be made	MRC Factor
56	37.458
57	36.061
58	34.682
59	33.323
60	31.985
61	30.669
62	29.378
63	28.116
64	26.888
65	25.694
66	24.529
67	23.385
68	22.256
69	21.142
70	20.045
71	18.968
72	17.912
73	16.879
74	15.876
75	14.909
76	13.983
77	13.101
78	12.258
79	11.450
80	10.671
81	9.920
82	9.200
83	8.511
84	7.854
85	7.229

3 Relevant capital

- (1) For the purposes of Article 131FA of the Law, the amount and nature of relevant capital in respect of an individual shall be calculated as follows and in accordance with this Article –

Relevant capital = the open market value of assets directly owned by the individual that are not excluded assets less the value of the individual's liabilities (using the values on the day for which the entitlement is to be determined).

- (2) In paragraph (1) “excluded assets” means –
 - (a) any tangible movable property;
 - (b) an individual's only or main residence;
 - (c) the capital value of any life assurance policies taken out on an individual's life.
- (3) In paragraph (1), assets directly owned by the individual do not include assets held on trust for the benefit of the individual (other than a bare trust) except where the asset held on trust is the individual's pension savings.
- (4) For the purposes of paragraph (3) “pension savings” means savings –
 - (a) under an approved Jersey scheme (within the meaning given by Article 130(1) of the Law); or
 - (b) under an overseas scheme (within the meaning given by Article 131OA of the Law).
- (5) Where an asset is jointly owned by an individual and another person, only the proportion of the asset owned by the individual shall be included when calculating relevant capital in respect of the individual under paragraph (1).
- (6) For the purposes of paragraph (1), liabilities include a loan, borrowing or similar obligation or, a part thereof, entered into by an individual, including, where the individual is a guarantor or equivalent for a loan, borrowing or similar obligation entered into by another person but does not include a loan, borrowing or similar obligation that is taken out for the purpose of –
 - (a) acquiring a dwelling-house that is the individual's only or main residence;
 - (b) extending a dwelling-house described in sub-paragraph (a); or
 - (c) paying off another loan, borrowing or similar obligation which would have been deductible under paragraph (1) if it had not been paid off.
- (7) For the purposes of paragraph (1) –
 - (a) the open market value of an asset must be determined in sterling and where an asset is valued in foreign currency, the conversion into sterling shall be carried out in accordance with exchange rates published by His Majesty's Revenue and Customs for VAT purposes;
 - (b) where an asset is traded on a recognized stock exchange, the open market value of the asset is determined by reference to the closing bidding price on the trading day immediately before the day for which the entitlement is to be determined;
 - (c) where an asset is not traded on a recognized stock exchange, the individual must obtain an independent professional valuation of the asset which must be made not more than 3 months prior to the day for which the entitlement is to be determined;
 - (d) where the asset to be valued is pension savings, the fund value must be calculated in accordance with Article 130B of the Law and the open market value shall be the fund value less 20%.¹

4 Relevant capital factor

For the purposes of Article 131FB of the Law, the relevant capital factor shall be such amount determined using the following formula –

$$\text{Relevant capital} \div \text{MRC Factor} \div \text{Coefficient}$$

Where –

Relevant capital is determined in accordance with Article 3;

MRC Factor is determined in accordance with the table in Article 2;

Coefficient is 2.25.

5 Citation

This Order may be cited as the Income Tax (Minimum Retirement Capital) (Jersey) Order 2017.

ENDNOTES

Table of Legislation History

Legislation	Year and No	Commencement
Income Tax (Minimum Retirement Capital) (Jersey) Order 2017	R&O.138/2017	29 December 2017

Table of Endnote References

¹ Article 3(7) *revised on 11 January 2024 by Law Revision Board item [2023/1](#)*