



Jersey

INCOME TAX (PURCHASED LIFE ANNUITIES) (JERSEY) ORDER 1959

Official Consolidated Version

This is an official version of consolidated legislation compiled and issued under the authority of the Legislation (Jersey) Law 2021.

Showing the law from 1 January 2020 to Current



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THE FINANCE AND ECONOMICS COMMITTEE, in pursuance of Articles 132(8) of the [Income Tax \(Jersey\) Law 1961](#), orders as follows –

Commencement [[see endnotes](#)]

1

In this Order –

“Law” means the [Income Tax \(Jersey\) Law 1961](#);

“payee” means the person beneficially entitled for the time being to the payments on account of an annuity;

“payer” means any person resident in the Island of Jersey by whom, or any branch or agency in the Island of Jersey of a person not so resident (being a branch or agency through which that person carries on life assurance business) through which, an annuity is paid;

“principal Article” means Article 132(8) of the Law.¹

2

A claim for the application of the principal Article to an annuity shall be made in writing to the Comptroller of Revenue by the payee, and shall give the particulars set out in the Schedule to this Order.²

3

The Comptroller of Revenue may by notice require the payer of an annuity to furnish such particulars relating to the annuity as the Comptroller may require, including the age of the person during whose life the annuity is payable, if known to him or her, the amount or value of the consideration given for the grant of the annuity, and particulars of any other matter appearing to him or her to be relevant for the purposes of the principal Article.³

4

On the receipt of a claim under Article 2, the Comptroller of Revenue shall determine whether the annuity is a purchased life annuity to which the principal Article applies and, if so, what proportion of each payment on account of the annuity constitutes the capital element. The prescribed tables of mortality to be used for this purpose shall be the select tables in the volume of tables published in 1953 at the University Press, Cambridge, for the Institute of Actuaries and the Faculty of Actuaries, entitled the a(55) Tables for Annuitants, and in using these tables the age, as at the date when the first of the annuity payments begins to accrue, of a person during whose life the annuity is payable shall be taken to be the number of years of the person's age at the person's birthday last preceding that date. If that age is outside the range of the said tables, or in any other case where the tables are insufficient, the actuarial value of the annuity for the purposes of paragraph (3)(c) of the principal Article shall be such amount as may be certified by the Comptroller and Auditor General. The Comptroller of Revenue shall serve a notice of the Comptroller's determination (hereinafter referred to as the "original determination") upon the payee, and, unless the payer is not entitled or required to deduct tax from the annuity, upon the payer of the annuity. The determination shall thereupon become effective, and a payer upon whom such notice is served shall be treated as having been notified in the prescribed manner for the purposes of paragraph (4) of the principal Article.⁴

5

If the payee is dissatisfied with the original determination on a claim under Article 2, the payee may by notice in writing to that effect given to the Comptroller of Revenue of the payee's intention within 21 days from the date of service upon the payee of notice of the original determination, make application to have the payee's claim heard and determined by the Commissioners of Appeal who shall hear and determine the claim in like manner as an appeal made to them against an assessment under Schedule D, and all the provisions of the Law relating to such an appeal (including the provisions relating to appeals to the Royal Court) shall apply accordingly with any necessary modifications.⁵

6

If the original determination is amended as the result of an appeal, the Comptroller of Revenue shall, unless the payer is not entitled or required to deduct tax from the annuity or any part of it, immediately serve a notice of the determination as so amended upon the payer of the annuity. The revised determination shall become effective as soon as the appeal has been determined and any notice as aforesaid has been served, and shall supersede any earlier determination in relation to the first payment made thereafter on account of the annuity, and, subject to Article 7, to all subsequent such payments.⁶

7

If, at any time after a determination has become effective and at least one payment on account of the annuity has been made thereafter, the Comptroller of Revenue or the payee alleges that that determination is erroneous whether by reason of an error or mistake in a claim by the payee or otherwise, the Comptroller of Revenue may make, or the payee may make a claim for, a revised determination. If the Comptroller of Revenue makes a revised determination in accordance with the claim, the Comptroller shall serve notice upon the

payee accordingly. If the Comptroller makes a revised determination without the payee having claimed it, or if the Comptroller makes a revised determination which is not in accordance with the payee's claim, or if on receipt of the payee's claim the Comptroller refuses to make a revised determination, the Comptroller shall serve notice upon the payee accordingly, and Article 5 shall apply, with any necessary modifications, as it applies in relation to the original determination.⁷

8

As soon as the time limit for appealing against a revised determination made under Article 7 has expired, or, if there is an appeal, as soon as the appeal has been determined, the Comptroller of Revenue shall, unless the payer is not entitled or required to deduct tax from the annuity or any part of it, serve notice of the said determination or, as may be appropriate, of that determination as amended on appeal, upon the payer of the annuity. The determination shall thereupon become effective and shall supersede any earlier determination in relation to the first payment made thereafter on account of the annuity, and, subject to Article 7, to all subsequent such payments.⁸

9

Where any effective determination is amended on appeal, any amount by which the tax deducted from or assessed and charged upon payments on account of the annuity by reference to the said determination exceeds the tax that would have been deducted or assessed and charged if the determination as amended on appeal had applied to those payments shall, subject to Article 13, be repaid to the payee. Any amount by which the tax so deducted or assessed and charged falls short of the tax that would have been deducted or assessed and charged if the determination as amended on appeal had applied to those payments shall, subject to Article 13, be assessed and charged on the payee under Case VI of Schedule D for the years of assessment in which the said payments were made.

10

Where –

- (a) income tax has been deducted from or assessed and charged upon the whole of any payments on account of an annuity and subsequently an original determination becomes effective; or
- (b) a revised determination becomes effective,

the difference between (1) the tax which the payer was entitled to deduct and did in fact deduct from payments on account of the annuity falling due after 31st December, 1958, but made before the said determination became effective, or the tax assessed and charged upon those payments and (2) the tax that would have been deducted or assessed and charged upon those payments if it had been deducted or assessed and charged in accordance with the said determination shall, except in so far as it has been repaid or assessed and charged under Article 9, and subject to Article 13, be repaid to the payee or be assessed and charged upon the payee under Case VI of Schedule D for the years of assessment in which the said payments were made, as the circumstances may require, whether or not, in cases within (b) hereof, the determination in force before the revised determination became effective had been made or confirmed by the Commissioners of Appeal on an appeal to them:

Provided that –

- (i) no repayment shall be made under this Article in respect of tax deducted or deductible from or assessed and charged upon any payment on account of the annuity which fell due in a year of assessment which ended more than 5 years before the beginning of the year of assessment in which the claim which gave rise to the said determination was made, or, in a case where the Comptroller of Revenue initiated a revised determination, before the beginning of the year of assessment in which the Comptroller served notice upon the payee under Article 7,
- (ii) no assessment shall be made under this Article in respect of any payment on account of the annuity which fell due as aforesaid, except that, where any form of fraud or wilful default has been committed by or on behalf of any person in connection with or in relation to the taxation of the annuity, an assessment may be made at any time:

But provided always that no repayment or assessment shall be made under this Article in respect of tax deducted from or assessed and charged upon any payment on account of the annuity made before the date of the claim which gave rise to the said determination or, as the case may be, the date of the revised determination of the Comptroller of Revenue under Article 7 if that deduction or assessment and charge was in fact made on the basis or in accordance with the practice generally prevailing at the time when the said payment was made.⁹

11

In relation to an annuity paid by a person not resident in the Island of Jersey, otherwise than through a branch or agency through which that person carried on life assurance business in the Island of Jersey, to a payee who is resident in the Island of Jersey, the foregoing Articles, except Article 3, shall apply as they apply in relation to an annuity paid by a person who is resident in the Island of Jersey, with the modification that Article 7 shall apply as though the reference to at least one payment having been made on account of the annuity were a reference to at least one first assessment having been made on the payee in respect of the annuity.

12

Any assessment required by Article 9 or 10 shall be made in accordance with those Articles notwithstanding anything in the Law.

13

Where the payee is regarded as spouse B for the purposes of Part 16 of the Law and is living with his or her spouse A, any reference in this Order to repaying tax to the payee or to charging tax on the payee shall be construed as requiring tax to be repaid to, or charged on, the spouse of spouse B.¹⁰

13A ¹¹

Where the payee is regarded as civil partner B for the purposes of Part 16A of the Law and is living with his or her civil partner A, any reference in this Order to repaying tax to the payee or to charging tax on the payee shall be construed as requiring tax to be repaid to, or charged on, the civil partner of civil partner B.

14

A determination that becomes effective under this Order shall, except to the extent that it may be varied under this Order, be final and conclusive for all the purposes of the Law.

15 ¹²

Where a determination is varied on appeal or by virtue of Article 7, and any tax deducted from or assessed and charged upon a payment on account of the annuity is repaid under Article 9 or 10 –

- (a) a corresponding adjustment shall be made in estimating for the purposes of the Law, the total income –
 - (i) of the payee,
 - (ii) if the payee is married and is living with his or her spouse and, for the purposes of Part 16 the Law is spouse B, of spouse A,
 - (iii) if the payee is a civil partner who, for the purposes of Part 16A of the Law is civil partner B and is living with his or her civil partner, of civil partner A,for the year in which the payment fell due; and
- (b) notwithstanding anything in the Law, such consequential adjustments of the payee's liability to income tax as may be necessary shall be made by assessment or by repayment, as the case may require.

16

Any notice or other document authorized or required to be served on any person under this Order by the Comptroller of Revenue may be served by post by letter addressed to such person at the person's usual or last known place of business or abode, or, where such person is a company, by letter addressed to the secretary of the company at its registered office.¹³

17

This Order may be cited as the Income Tax (Purchased Life Annuities) (Jersey) Order 1959.

SCHEDULE¹⁴**PARTICULARS TO BE GIVEN BY THE PAYEE IN MAKING A CLAIM UNDER ARTICLE 2****PART 1****PARTICULARS TO BE GIVEN IN ALL CASES**

1. The name of the payer.
2. The number by which the annuity contract is identified.
3. Amount of each payment on account of the annuity.
4. The frequency with which payments on account of the annuity are made.
5. The name of the person or persons on whose life or lives the annuity depends.
6. The name and address of the annuitant, and –
 - (a) if the annuitant is a spouse B for the purposes of Part 16 of the Law, the name of his or her spouse A;
 - (b) if the annuitant is a civil partner B for the purposes of Part 16A of the Law, the name of his or her civil partner.
7. Such particulars as are necessary to determine whether paragraph (7) of the principal Article applies to the annuity.

PART 2**ADDITIONAL PARTICULARS TO BE GIVEN WHERE THE PERSON PAYING THE ANNUITY IS NOT WITHIN THE DEFINITION OF PAYER IN ARTICLE 1**

1. The amount or value of the consideration given for the grant of the annuity.
2. The date of birth of each person on whose life the annuity depends.
3. The date on which the annuity commenced to accrue.
4. Whether the final payment on account of the annuity will be calculated by reference to the actual date of any person's death.
5. Particulars of any contingencies other than the death of a person on the happening of which the annuity will terminate.

ENDNOTES

Table of Legislation History

Legislation	Year and No	Commencement
Income Tax (Purchased Life Annuities) (Jersey) Order 1959	R&O.4074	15 July 1959
Public Finances (Consequential Amendments) (Jersey) Regulations 2005	R&O.126/2005	9 December 2005
Income Tax (Amendment No. 34) (Jersey) Law 2010	L.19/2010	5 November 2010
Civil Partnership (Consequential Amendments) (Jersey) Regulations 2012	R&O.47/2012	2 April 2012
Marriage and Civil Status (Amendment No. 4) (Jersey) Law 2018	L.19/2018	1 July 2018 (R&O.68/2018)
Revenue Administration (Jersey) Law 2019	L.13/2019	1 January 2020 (R&O.136/2019)

Table of Endnote References

¹ Article 1(1)	<i>amended by R&O.126/2005</i>
² Article 2	<i>amended by L.19/2010, L.13/2019</i>
³ Article 3	<i>amended by L.19/2010, L.13/2019</i>
⁴ Article 4	<i>amended by R&O.126/2005, L.19/2010, L.13/2019</i>
⁵ Article 5	<i>amended by L.19/2010, L.13/2019</i>
⁶ Article 6	<i>amended by L.19/2010, L.13/2019</i>
⁷ Article 7	<i>amended by L.19/2010, L.13/2019</i>
⁸ Article 8	<i>amended by L.19/2010, L.13/2019</i>
⁹ Article 10	<i>amended by L.19/2010, L.13/2019</i>
¹⁰ Article 13	<i>substituted by L.19/2018</i>
¹¹ Article 13A	<i>inserted by R&O.47/2012</i>
¹² Article 15	<i>substituted by R&O.47/2012, amended by L.19/2018</i>
¹³ Article 16	<i>amended by L.19/2010, L.13/2019</i>
¹⁴ Schedule	<i>amended by R&O.47/2012, L.19/2018</i>