

2018.07.10

3.6 Deputy S.M. Ahier of St. Helier of the Minister for Treasury and Resources regarding the prospect of re-introducing marginal relief for non-resident pensioners: [OQ. 102/2018]

Will the Minister consider reintroducing marginal relief for non-resident pensioners in the next Budget?

Deputy S.J. Pinel (The Minister for Treasury and Resources):

Marginal relief for non-resident individuals was, effectively, removed in the Budget of 2016. The Treasury's analysis then, was that very few individuals would be adversely affected, because of the way other tax jurisdictions provide relief from double taxation. Most people should be paying no more tax as a result of the change, but they may be paying more tax to Jersey and correspondingly less to their country of residence. It was recognised at the time, however, that a small number of people overseas might be adversely affected, if they were living in a jurisdiction which did not provide such tax relief from double taxation. The Taxes Office believe that fewer than 25 non-residents may be in such a position. I am actively considering whether a scheme could be developed to help the small minority of people, who are on a low income and also suffering double taxation on their Jersey-sourced income. If this requires new legislation, I shall aim to bring that forward in my first Budget.

3.6.1 Deputy S.M. Ahier:

Would the Minister confirm that the amount of revenue the Treasury has received and the removal of marginal relief has been insignificant in comparison to the hardship and distress its removal has caused to ex-pats in their twilight years?

Deputy S.J. Pinel:

I can see where the Deputy is coming from and the Treasury has saved £500,000 by removing this marginal relief.

[10:15]

As I mentioned in my opening remarks, the number of people adversely affected by living in a jurisdiction where there is not a unilateral tax relief is a very small number and we are addressing that small number because, obviously, the last thing we want is people to be in a situation where they cannot afford to live in their retirement.

3.6.2 Deputy M. Tadier:

Does the Minister have any information on what she calls the small amount of people that are affected but, in particular, the demographics and the socioeconomic status of those individuals? Do they tend to be lower? Can she be assured that some of these individuals may not be paying tax in the other jurisdictions that they live in and that double-taxation agreement may not even serve their purposes anyway?

Deputy S.J. Pinel:

Yes, of course we have the information, but I could not release it.