

L.N. 98 of 2022**INCOME TAX ACT
(CAP. 123)****Pensions (Tax Exemption) Rules, 2022**

IN EXERCISE of the powers conferred by articles 12(2) and 96 of the Income Tax Act, the Minister for Finance and Employment has made the following rules:-

- Citation. **1.** The title of these rules is the Pensions (Tax Exemption) Rules, 2022.
- Interpretation. **2.** In these rules, unless the context otherwise requires:
- S.L. 123.174. "pensions income" means income to which the Tax Rebate (Pensioners) Rules apply.
- Tax exemption. **3.** Pensions income derived by an individual on or after 1 January 2022 shall be partially or fully exempt from tax as follows:

Amount exempt	Applicability of the exemption
Twenty per cent (20%)	Pensions income derived in the year immediately preceding the year of assessment 2023
Forty per cent (40%)	Pensions income derived in the year immediately preceding the year of assessment 2024
Sixty per cent (60%)	Pensions income derived in the year immediately preceding the year of assessment 2025
Eighty per cent (80%)	Pensions income derived in the year immediately preceding the year of assessment 2026
One hundred per cent (100%)	Pensions income derived in the year immediately preceding the year of assessment 2027 and in subsequent years