

L.N. 48 of 2023

INCOME TAX ACT
(CAP. 123)**Pensions (Tax Exemption) (Amendment) Rules, 2023**

IN EXERCISE of the powers conferred by article 96 of the Income Tax Act, the Minister responsible for finance has made the following rules:-

Citation and
commencement.
S.L. 123.204.

1. (1) The title of these rules is the Pensions (Tax Exemption) (Amendment) Rules, 2023 and these rules shall be read and construed as one with the Pensions (Tax Exemption) Rules, hereinafter referred to as "the principal rules".

(2) These rules shall be deemed to have come into force on 1st January 2023.

Substitutes rule
3 of the
principal rules.

2. Rule 3 of the principal rules shall be substituted by the following new rule:

"3. Pension income derived by an individual on or after 1 January 2022 shall be partially or fully exempt from tax as follows:

Applicability of the exemption	Amount exempt
Pension income derived in the year immediately preceding the year of assessment 2023	Twenty per cent (20%), but not exceeding two thousand, eight hundred and sixty-four euro (€2,864)
Pension income derived in the year immediately preceding the year of assessment 2024	Forty per cent (40%), but not exceeding five thousand, nine hundred and eighty-seven euro (€5,987)
Pension income derived in the year immediately preceding the year of assessment 2025	Sixty per cent (60%), but not exceeding eight thousand, nine hundred and eighty-one euro (€8,981)
Pension income derived in the year immediately preceding the year of assessment 2026	Eighty per cent (80%), but not exceeding eleven thousand, nine hundred and seventy-four euro (€11,974)
Pension income derived in the year immediately preceding the year of assessment 2027 and in subsequent years	One hundred per cent (100%), but not exceeding fourteen thousand, nine hundred and sixty-eight euro (€14,968)".