

LIFE OFFICES NEWSLETTER

Centre for Non - Residents

October 2004

FORM AF FOR NON-RESIDENT ANNUITANTS

This newsletter is to remind you of the procedures for a non-resident individual to have their Schedule D annuity paid without deduction of tax.

Non-resident individuals remain chargeable to UK tax on UK sources of income such as annuities and pensions, unless they can be exempted under the terms of a Double Taxation Agreement. However, British/Commonwealth/EEA citizens and certain other qualifying individuals can claim personal allowances, as explained on form AF.

Where a non-resident annuitant qualifies for personal allowances and his total UK source income, including the annuity, is below his personal allowance entitlement, it is possible for the annuity to be paid without deduction of tax. We have recently revised the form to reflect the current year's personal allowances. We will not be providing a paper version of this form so ask that you supply the form AF to the annuitant by downloading it from our website www.inlandrevenue.gov.uk/cnr/af.pdf. Before supplying the form to the annuitant would you please complete page 1.

The annuitant should complete the remainder and then return it direct to our office. If we approve the claim, we will authorise you to make subsequent payments without deduction of tax, on form R266. **The Inland Revenue form R89 process cannot be used where the annuitant is non-resident.**

As I have mentioned, the form AF is only to be used for Schedule D annuities. For PAYE pensions and annuities, please continue to notify your usual Tax Office on form P46.

Branches of certain Life Offices are either using old prints of this form or are advising their annuitants that the form is not available and referring them to us. This obviously slows down the process and causes a delay in us sending you the authority. I would therefore be very grateful if you could bring this newsletter to the attention of all your staff, in different offices, who handle annuities, via your own internal publications. Anyone may download further copies of this newsletter from www.inlandrevenue.gov.uk/cnr under "News".

You may be interested in producing your own computer generated accurate copy of the form AF with your company's name and address already completed. If you wish to do this, please contact Rita Patel at Inland Revenue Business Services "Forms & Information Delivery" on 0207-438-4264.



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Please address any enquiries regarding the AF procedure to:

Inland Revenue
Centre for Non-Residents
Residence Advice & Liabilities Section Room 130
St John's House
Merton Road
Bootle
Merseyside
L69 9BB

Telephone: 0845 070 0040

If the annuitant cannot claim personal allowances, or if their income is above the specified limits, they may be able to claim exemption from UK tax under the terms of one of the Double Taxation Agreements negotiated by the UK. A variety of forms is available for either you or the annuitant to download from www.inlandrevenue.gov.uk/cnr/app_dtt.htm#5. If the required country is not listed, a claim form can be obtained from our Nottingham Office. If a claim is successful an exemption authority will be sent to you. You can, if you wish, obtain a digest of all the current Double Taxation Agreements, showing where exemption is possible, from www.inlandrevenue.gov.uk/cnr/dtdigest.pdf.

Please address any enquiries regarding Double Taxation Relief to:

Inland Revenue
Centre for Non-Residents
Fitz Roy House
PO Box 46
Nottingham
NG2 1BD

Telephone: 0845 070 0040

You can also e-mail the Centre for Non-Residents from our website www.inlandrevenue.gov.uk/cnr/email.htm.

For form AF enquiries, please select query type: **General Support and Residence enquiries.**

For Double Taxation advice, please select query type: **Claims under UK allowances or Double Taxation Agreements.**

You may contact the Newsletter author, David Edwards, on 0151-472-6215