



BULLETIN FOR:

Meaning of “Residents of Jamaica”

**The Financial Services Commission
39-43 Barbados Avenue
Kingston 5, Jamaica W.I.
Telephone No. (876) 906-3010**

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Meaning of “Residents of Jamaica”

LEGISLATIVE REFERENCE: Section 2 of The Pensions (Superannuation Funds and Retirement Schemes) Act, 2004 (the “Act”)

1.0 LEGISLATIVE REQUIREMENT

Section 2 of the Act defines an “Approved Retirement Scheme”, as “a scheme, not being a specified pension scheme –

(a) to which persons who are self employed or who are not active members of an approved superannuation fund –

- (i) make contributions toward a pension;
- (ii) transfer their pension benefits from another approved retirement scheme on being employed in another job; or
- (iii) on termination of their employment, transfer their pension benefits from an approved superannuation fund; and

(b) which is –

- (i) a defined contribution plan or such other plan as may from time to time be prescribed;
- (ii) open to persons who are **residents** of Jamaica (emphasis supplied); and approved and registered by the Commission.”

1.1 This bulletin is applicable to retirement schemes and seeks to clarify the meaning of “residents of Jamaica” being a prerequisite of eligibility for membership into an approved retirement scheme.

2.0 DEFINITIONS

2.1 For the purposes of income tax, an individual is a resident of Jamaica if he is in the island for a period or periods of six (6) months or more in any tax year.¹ As a resident, the individual is taxable on all income

¹ Section 29 of the Income Tax Act

arising in Jamaica as well as income from elsewhere: that is, his world income whether it is received in Jamaica or not, subject to any double taxation treaties with the country where they are ordinarily resident, that is, their usual place of abode.²

- 2.2 An individual may be considered a resident of Jamaica for the purposes of the Act if he lives in Jamaica for a period or periods aggregating in the whole to six (6) months or more in the year of assessment. Please note that an individual who is a resident of Jamaica as defined in the Income Tax Act would also be subject to the exemptions there under subject to any other taxation arrangement.
- 3.0 Directives should be sought from the Commissioner of Income Tax if there is doubt surrounding an individual's residency status. Notwithstanding, the term "resident" shall have the same meaning as ascribed to it under the Income tax Act.

Questions regarding this bulletin may be directed to the Senior Director, Pensions at the contact details specified below:

The Pensions Division
Financial Services Commission
39-43 Barbados Avenue
Kingston 5
Telephone (876) 906-3010
Email: pensions@fscjamaica.org
Facsimile (876) 906-3018

² Section 5 (1) (a) (i) and (ii); 5 (1) (b) and 5 (1) (c) of the Income Tax Act