

Why move to Guernsey?

Guernsey is a self-governing island located in the English Channel offering an excellent standard of living in addition to favourable tax rates. Guernsey does not levy capital gains tax, inheritance or wealth tax.



Tax

- The personal income tax rate in Guernsey is a flat tax rate of 20%.
- Every individual is entitled to a personal allowance (£13,900 for 2024), subject to withdrawals once income exceeds a threshold (for 2024 this is £80,000) after which the allowances are withdrawn at £1 for every £5 of income.

In addition to the flat rate of income tax Guernsey offers a number of tax caps.



Open market tax cap

The open market tax cap allows an individual who has not been resident in Guernsey in the previous 3 years to cap their income for the first 4 years subject to the below conditions being met. The open market cap is currently £60,000 per annum and may be subject to annual increase.

In order to claim the tax cap the following conditions need to be met;

- (i) pay £50,000 or more in document duty for the purchase of a property on Part A of the Open Market Register, and
- (ii) the property is purchased within 12 months (either before or after) taking up permanent residence in Guernsey, and
- (iii) not have been resident in Guernsey at any time in the previous three years prior to the purchase other than for the period in (ii)

The cap will apply separately to spouses/civil partners.

Cap on qualifying income and non-qualifying income

Qualifying income

- Qualifying income is any income from outside of Guernsey and Guernsey bank interest.
- Any Guernsey source income other than bank interest will be liable to 20% tax under this cap.

Non-qualifying income

- Non-qualifying income is income derived in Guernsey (excluding Guernsey property income and Guernsey pension/annuity income).

The tax caps above again are available to those individuals who are considered to be 'principally resident'. Principal residents of Guernsey are primarily those who are:

- In Guernsey for 182 days or more, or
- In Guernsey for 91 days or more and have been in the island for 730 days in the previous 4 years.

Additionally, you will also be treated as "principally resident" in the year you move to the island to take up permanent residence and;

- are resident in Guernsey (as shown above) and
- are solely or principally resident (as shown above) in the year after they arrive and
- were not resident in Guernsey in the year before they arrive to take up permanent residence in the island.



Standard charge

If you are resident only in Guernsey then you can elect to pay the 'standard charge' which is an annual charge of £40,000 subject to the following conditions being met;

- be present in Guernsey for more than 35 but less than 181 days in the calendar year, or
- have spent 365 days or more in Guernsey in the previous 4 years, and
- spent more than 90 days in any one other place during the year.



Social Security

Social security contributions are payable by Guernsey residents between the ages of 18 and 65. There are three classes of social security contributions;

- **Class 1** (employed people) 6.9% employee contribution for 2024
- **Class 2** (self-employed people) 11.9% for 2024
- **Class 3** (non-employed people) 11.3% for 2024

Individuals over the age of 65 are liable to pay health insurance and long term care contributions the long term care allowance (3.7% for 2024).

For further information on how we can help contact:



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