

Media Release

Date: 22 February 2021

UK residents temporarily choosing to work from Guernsey during the global pandemic

The Revenue Service is advising people who have chosen to temporarily work for their UK employer from Guernsey during the pandemic that basing themselves in the Island may have implications for their personal tax situation.

If an individual spends more than 90 days in Guernsey in any calendar year, then they are resident for tax purposes in Guernsey. They are required to register with the Revenue Service and file a personal tax return. They may also continue to be tax resident in the UK.

Under the UK-Guernsey Double Taxation Arrangement, a tie-breaker clause will determine their place of residence for the treaty as being where the individual has the closer personal and economic ties, referred to as their “centre of vital interests”. If that is the UK, then generally the individual will only be taxable in Guernsey on any Guernsey source income.

However, if that individual spends more than 183 days in Guernsey working for a UK employer, during any 12 month period (so not just within a calendar year), then that income will be taxable in Guernsey. The individual will need to claim double tax relief for any Guernsey tax paid on their UK tax return.

Anyone that has spent more than 90 days in Guernsey in 2020 should register with the Revenue Service at the earliest opportunity. This can be completed online at <https://eforms.gov.gg/forms/newarrivals.asp>. Penalties will be imposed if an individual fails to notify the Revenue Service by 14 July 2021.

The information used to register for tax purposes will be used to determine if there is also a requirement to register for social security contribution purposes. Generally, if an individual is working for a UK employer in Guernsey and continues to be ordinarily resident and liable for contributions in the UK, then they are only required to register for contributions if they have been in Guernsey for 52 consecutive weeks. If an individual is not employed, then they must register for contributions after they have been in Guernsey for 26 consecutive weeks.

A simplified tax return has been developed for those individuals who under the tie breaker have their “centre of vital interests” in the UK to minimise administration for them. This will also be of benefit to UK residents who own second homes in the islands (for example in Alderney) and wish to spend more time at them.

More information on registering with the Revenue Service is available at <https://gov.gg/recentarrival-tax> or you can email revenueservice@gov.gg.

Details of registrations will be checked against the population management records, and these individuals should note that they will also need to separately request a Certificate or Permit from The Population Management Office.

Anyone who is in Guernsey and not engaged in employment can remain in Guernsey for up to 90 days within a 12 month period but after this 90 day limit, an individual requires a Population Management Permit or Certificate to continue staying in the island.

For anyone who has come to Guernsey and is engaged in employment (including working remotely for a non-Guernsey based employer), they may also require a Population Management Permit or Certificate.

More information on Certificates and Permits from the Population Management Office is available at <https://www.gov.gg/populationmanagement>.

Population Management can also be contacted by email at population@gov.gg or on 01481 715790.

Ends