Retirement annuities: relief for premiums. ITA67 s235(1) to (5) and (10); FA74 s65 784.—(1) Where an individual—

(a) is (or but for an insufficiency of profits or gains would be) chargeable to tax in respect of relevant earnings from any trade, profession, office or employment carried on or held by him or her, and

(b) pays a premium or other consideration under an annuity contract for the time being approved by the Revenue Commissioners as being a contract by which the main benefit secured is a life annuity for the individual in his or her old age or under a contract for the time being approved under section 785 (in this Chapter referred to as a "qualifying premium"),

relief from income tax may be given in respect of the qualifying premium under section 787.

(2) (a) Subject to subsection (3), the Revenue Commissioners shall not approve a contract unless it appears to them to satisfy the following conditions—

(i) that it is made by the individual with a person lawfully carrying on in the State the business of granting annuities on human life,

(ii) that it includes provision securing that no annuity payable under it shall be capable in whole or in part of surrender, commutation or assignment, and

(iii) that it does not—

(I) provide for the payment by that person during the life of the individual of any sum except sums payable by means of annuity to the individual,

(II) provide for the annuity payable to the individual to commence before the individual attains the age of 60 years or after he or she attains the age of 70 years,

(III) provide for the payment by that person of any other sums except sums payable by means of annuity to the individual's widow or widower and any sums which, in the event of no annuity becoming payable either to the individual or to a widow or widower, are payable to the individual's personal representatives by means of return of premiums, reasonable interest on premiums or bonuses out of profits,

(IV) provide for the annuity, if any, payable to a widow or widower of the individual to be of a greater annual amount than that paid or payable to the individual, or

(V) provide for the payment of any annuity otherwise than for the life of the annuitant.

(b) Notwithstanding paragraph (a), the contract may provide for the payment to the individual, at the time the annuity commences to be payable, of a lump sum by means of commutation of part of the annuity not exceeding 25 per cent of the value of the annuity if the individual elects, at or before the time when the annuity first becomes payable to him or her, to be paid the lump sum.

(3) The Revenue Commissioners may, if they think fit and subject to any conditions they think proper to impose, approve a contract otherwise satisfying the conditions referred to in subsection (2), notwithstanding that the contract provides for one or more of the following matters—

(a) the payment after the individual's death of an annuity to a dependant, not being the widow or widower of the individual;

(b) the payment to the individual of an annuity commencing before he or she attains the age of 60 years, where the annuity is payable on the individual becoming permanently incapable through infirmity of mind or body of carrying on his or her own occupation or any occupation of a similar nature for which he or she is trained or fitted;

(c) where the individual's occupation is one in which persons customarily retire before attaining the age of 60 years, the annuity to commence before the individual attains that age (but not before he or she attains the age of 50 years);

(d) where the individual's occupation is one in which persons customarily retire after attaining the age of 70 years, the annuity to commence after the individual attains that age (but not after he or she attains the age of 80 years);

(e) the annuity payable to any person to continue for a term certain (not exceeding 10 years) notwithstanding his or her death within that term, or the annuity payable to any person to terminate, or be suspended, on marriage (or remarriage) or in other circumstances;

(f) in the case of an annuity which is to continue for a term certain, the annuity to be assignable by will and, in the event of any person dying entitled to the annuity, the annuity to be assignable by his or her personal representatives in the distribution of the estate so as to give effect to a testamentary disposition, or to the rights of those entitled on intestacy or to an appropriation of the annuity to a legacy or to a share or interest in the estate.

(4) Subsections (1) to (3) shall apply in relation to a contribution under a trust scheme or part of a trust scheme approved by the Revenue Commissioners as they apply in relation to a premium under an annuity contract so approved, with the modification that for the condition in subsection (2)(a)(i) there shall be substituted a condition that the scheme (or the part of the scheme)—

(a) is established under the law of and administered in the State,

(b) is established for the benefit of individuals engaged in or connected with a particular occupation (or one or other of a group of occupations) and for the purpose of providing retirement annuities for those individuals with or without subsidiary benefits for their families or dependants, and

(c) is so established under irrevocable trusts by a body of persons comprising or representing the majority of the individuals so engaged in the State,

and with the necessary modifications of other references to the contract or the person with whom it is made, and exemption from income tax shall be allowed in respect of income derived from investments or deposits of any fund maintained for the purpose referred to in paragraph (b) under a scheme or part of a scheme for the time being approved under this subsection.

(5) The Revenue Commissioners may at any time, by notice in writing given to the persons by and to whom premiums are payable under any contract for the time being approved under this section or to the trustees or other persons having the management of any trust scheme so approved, withdraw that approval on such grounds and from such date (including a date before the date of the notice) as may be specified in the notice and, where any approval is so withdrawn, there shall be made such assessments as may be appropriate for the purpose of withdrawing any reliefs given under this Chapter consequent on the approval.

(6) Nothing in sections 4 and 6 of the Policies of Assurance Act, 1867 , shall be taken to apply to any contract approved under this section.