

# THE INCOME TAX ACT

(Cap. 470)

IN EXERCISE of the powers conferred by section 130 of the Income Tax Act, the Minister for Finance makes the following Rules -

## THE INCOME TAX (RETIREMENT BENEFITS) (AMENDMENT) RULES, 2005

1. These Rules may be cited as the Income Tax (Retirement Benefits) (Amendment) Rules, 2005.

L.N.197/1994.

2. The Income Tax (Retirement Benefits) Rules, 1994, in these Rules referred to as "the principal Rules", are amended by deleting paragraph 4(e) and substituting therefor the following new paragraph-

(e) provided that, in the case of a defined pension fund, where a surplus is identified in the actuarial report under subparagraph (j)(ii)-

(i) such surplus shall be allocated to the respective accounts of the members of the fund; or

(ii) the contribution made by the employer in the year shall be reduced by the amount by which the surplus exceeds the average contribution made by the employer over the previous three years.

3. Rule 5 of the principal Rules is amended in paragraph (g) by deleting the proviso to subparagraph (i).

Made on the 8th June, 2005.

DAVID MWIRARIA,  
*Minister for Finance.*