

This guidance explains Revenue Jersey's current interpretation of Article 126 and how the existing residence rules are applied in practice. A broader review of Jersey's residence policy is currently underway, and any resulting recommendations or changes to legislation or published practice will be issued in due course. Taxpayers should ensure they refer to the most up-to-date guidance when assessing their position.

# Former residents temporarily abroad: Understanding your Jersey tax residence

If you usually live in Jersey but spend time working or living overseas, you may wonder whether you will still be considered a Jersey resident for tax purposes. This page explains how Revenue Jersey decides whether you are still tax resident while abroad.

## The basic rule

If you usually live and maintain a life in Jersey and only go abroad for occasional periods without establishing a life in your destination country, you are "ordinarily resident" in Jersey. This means you'll be taxed on your worldwide income.

If you leave Jersey to live or work abroad for an extended period and make a clear break from your life in Jersey, establishing your home and daily life in another country, Revenue Jersey will consider you as non-resident during that time and your overseas and Jersey-source income will be exempt from Jersey income tax, unless it accrues from Jersey property.

## How we decide your residence

You'll normally be considered non-resident if you meet these three conditions:

- **You live outside Jersey for an entire tax year.** Occasional short visits to the Island are permitted, provided they are in the pattern of a holidaymaker in hotels or short-stay accommodation, rather than frequent, regular visits suggestive of continuing to live or maintain professional affairs in Jersey.
- **You're in full-time employment abroad, with your duties conducted outside Jersey.** *Full-time* generally means averaging at least 35 hours a week, excluding annual leave or periods of illness. *Employment abroad* means being employed by, or carrying out your duties through, a business that is established and operates overseas, not simply working temporarily abroad, such as on an extended business trip or without a fixed place of residence (for example, cruise ship staff).
- **You no longer have a home or accommodation available for your use in Jersey.** If you previously owned or rented a property, you have sold it, rented it out, or taken reasonable steps to do so, and have not stayed there even for a single night. If you previously stayed with a partner, parents or close family, you have taken your

significant personal belongings with you and have not left assets or personal effects stored in the home or on the property.

Provided all three conditions are met, Revenue Jersey will generally treat you as non-resident for that year. If not, we'll look at your situation in more detail.

## When is accommodation considered available for your use?

Accommodation is usually considered available to you if you own, rent, or have regular access to a home in Jersey, even if you don't stay there often. If your partner, spouse or a parent owns the property and you can stay there without permission, and you keep significant personal effects there (particularly if you have no other home of your own), it will normally still be regarded as available for your use.

If you've sold or rented out your Jersey property or are making a genuine and active effort to do so, it's not usually treated as available accommodation. In the case of a family home, if you've removed your significant personal possessions and it has been converted into a guest room used only for occasional holidaymaking visits, it will generally not be considered available to you.

## When we need more detail

If you don't meet all three of the conditions above, your residence status will depend on your circumstances. This includes the overall pattern of your life in Jersey while abroad (the extent to which you retained social and economic connections) to determine whether you genuinely left the Island to live abroad for a settled purpose. We'll consider questions like:

- Did your immediate family (spouses, children, and other dependants) continue to reside in Jersey?
- Did you continue to make Jersey Social Security contributions, apply for a Certificate of Continued Liability, and/or receive contribution credits while abroad?
- Did you maintain personal effects and assets in Jersey such as a car, or have furniture in storage?
- Did you continue to manage your financial affairs through Jersey institutions, such as receiving payments and paying bills through Jersey bank accounts or contributing to pension schemes and investment accounts on Island?

## Avoiding double taxation

If you pay income tax on your overseas employment earnings to another country, Jersey provides relief to limit the possibility that you'll be taxed twice on the same income. This applies where Jersey does not already have a double tax agreement with that country.

# Examples

## Case 1: The Long-Term Remote Worker

### Scenario:

- John, formerly ordinarily resident in Jersey with no dependants, takes a job as a consultant with a multinational company that allows him to work remotely.
- He moves to Spain on a Digital Nomad Visa for an indefinite period, rotating seasonally between furnished rental units in the north and south designed for short- to medium-term stays with hotel-like amenities and services.
- He keeps his apartment in Jersey, which remains vacant for his use during occasional return trips.
- He maintains a Jersey bank account, where his fees are deposited, and from which he continues to pay for his Jersey mobile plan and apartment expenses. He withdraws funds from the same account to cover his bills in Spain. He does not undertake any personal or professional financial administration locally in Spain.
- He visits Jersey in the manner of a holidaymaker, typically two weeks at a time, for a total of 8 weeks a year on average.

### Residence determination:

John is not automatically considered non-resident because, although he performs his duties abroad and has been absent over the tax year (his return visits are as a holidaymaker and he does not average more than 90 nights per year over a four-year period), he maintains and uses his own accommodation in Jersey. A multifactorial inquiry is required and concludes that he has not established himself in a settled manner in Spain as he continues to maintain his personal and business affairs in Jersey and has not rented or purchased permanent accommodation abroad. He is considered **ordinarily resident** in Jersey but will be able to benefit from unilateral relief on any taxes paid on his employment income in Spain to limit the potential for double taxation. His status will remain ordinarily resident until he relinquishes his available accommodation in Jersey and shifts his personal and professional affairs to Spain.

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## Case 2: The University Student

### Scenario:

- Sarah, a Jersey resident, moves to the UK to undertake a three-year kinesiology degree.
- She stays in partially subsidised student accommodation.
- She supports herself working part time as a personal trainer in the UK and full-time at the hospital in Jersey over the summer.

- She does not own or rent property in Jersey, but her parents maintain her bedroom at the family estate in which she previously resided. She keeps personal belongings and her car at the estate and has a continuing expectation of occupancy without invitation. She typically spends around 12 weeks per year in Jersey during the summer, Christmas, and term breaks.
- She has only a Jersey bank account and maintains her Jersey driving licence, using her Jersey-registered and stored car while visiting and working in Jersey during university holidays. She has made no effort to open a bank account in the UK, convert her driving license, or store and register her car on the mainland.

**Residence determination:**

Sarah will not be considered automatically non-resident in Jersey because she does not hold a full-time employment contract abroad throughout the tax year and has not fully relinquished her available accommodation in Jersey. A multifactorial inquiry concludes that the belongings kept at her parents' house, her bank account, driving licence, vehicle registration, summer employment and the regularity and duration of her visits all suggest that she did not intend to relocate to the UK for a settled purpose and that her centre of vital interests remained in Jersey. Sarah will be considered **ordinarily resident** in Jersey and liable to Jersey income tax on her worldwide income, subject to relief available under double taxation agreements with the UK. She is also entitled to claim full allowances against her income, as Article 126 applies.

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## Case 3: The Retired Expat

**Scenario:**

- Mark and his spouse Anne, both retired, move from Jersey to Portugal at the start of the new year to enjoy a lower cost of living and a warmer climate.
- They rent out their Jersey house and maintain a Jersey bank account for rent to be deposited.
- They purchase a house in Portugal, open local Portuguese bank accounts, register with a Portuguese doctor, and pay Portuguese tax on their pension.
- They return to Jersey once a year for a two-week holiday to see friends and family, staying in a guesthouse.
- After two years, Mark and Anne decide they would like to be closer to their grandchildren and return to Jersey at the end of the second year when their tenant declines to extend the lease. They keep their property in Portugal as a holiday house.

### **Residence determination:**

Mark and Anne are considered **non-resident** for the two years they lived in Portugal because, although they were not employed abroad, a multifactorial inquiry determines that they sufficiently established themselves in Portugal for a settled purpose (purchasing a house, opening bank accounts, registering for a doctor, and registering for tax). Their adult children, who remained in Jersey, are no longer considered dependants. Their return visits were not in their own available accommodation and are consistent with holiday travel. Based on the fact pattern, the intention of their move was not for occasional residence abroad and Article 126 does not apply. Mark and Anne's overseas and Jersey-source income is exempt from Jersey income tax unless it arises from Jersey property, such as rental income from letting their home. As Jersey does not have a double-tax agreement with Portugal, employer-based private pension income arising in Jersey remains taxable at source but may potentially be reduced through non-resident tax relief (Jersey's state pension is not taxable).

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## **Case 4: The Executive Director**

### **Scenario:**

- Lisa, a Jersey-based business executive, moves to Germany for two calendar years on a corporate assignment with a new branch of her current organisation, where she will be contracted as a local hire in Germany.
- She rents out her Jersey house to an unrelated tenant under an arm's-length agreement and contributes the rental income toward leased accommodation in Germany under her own name.
- She registers as a German tax resident, opens a local bank account to receive her pay, and joins Germany-based professional associations.
- She retains a Jersey investment portfolio.
- She visits Jersey twice a year to see extended family for two weeks each time.

### **Residence determination:**

Lisa will automatically be considered **non-resident** because, although she has a fixed end date, she remains outside Jersey for both tax years, performs all her duties abroad under a foreign contract, and has relinquished her accommodation in Jersey. A multifactorial inquiry is not required. Lisa's overseas income is exempt from Jersey income tax. Her Jersey-source income is also exempt from Jersey income tax, unless it accrues from Jersey property (for example, the rent she receives for letting out her house).

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## Case 5A: The Secondee who previously lived with his parents and settles abroad for a fixed term

### Scenario:

- Paul, a junior accountant, moves to Switzerland for a two-year secondment, renting an apartment in Switzerland in his name.
- He ships his personal effects to his new apartment and drives his car to Switzerland, declaring the vehicle at the border upon arrival and registering it locally after one year as obligated under local laws.
- He sets up a Swiss bank account where he receives his salary and out of which he pays his rent and utilities. He ceases making Jersey social security contributions.
- He visits Jersey for two weeks over Christmas and two weeks in the summer, staying in his bedroom in his family home. He returns to Jersey after two years.

### Residence determination:

As Paul has spent nights in what could be considered available accommodation (his room with immediate family that he previously occupied), he does not meet all three criteria to be automatically considered non-resident. A multifactorial inquiry is required.

The multifactorial inquiry concludes that he has established himself abroad for a settled purpose, as shown by shipping his personal effects, registering his car abroad, and setting up his personal administration with a Swiss bank account. He no longer maintains an ongoing pattern of life in Jersey and his centre of vital interests has shifted to Switzerland. He will therefore be treated as non-resident for income-tax purposes, and Article 126 will not apply. Paul's overseas income during his secondment is not subject to Jersey income tax, nor is any Jersey-source income, unless it accrues from Jersey property.

## Case 5B: The Secondee who previously lived with his parents and is employed abroad for a fixed term

### Scenario:

- Tom is a junior accountant who moves to Switzerland for a two-year secondment, staying in employer-provided accommodation.
- Before leaving, he lived with his parents in Jersey, and he continues to keep his personal effects in his bedroom and stores his vehicle at the family home.
- He continues to be employed by the Jersey entity under an agreement where the Swiss office reimburses the Jersey office for his salary. Jersey Social Security contributions continue to be deducted from his salary, and he holds a Certificate of Coverage to relieve social security obligations in Switzerland under a reciprocal agreement.

- His salary is paid into his Jersey bank account, from which he continues to pay for his Jersey mobile service, streaming services, and membership fees to Jersey professional associations. He withdraws a weekly cash amount in Switzerland for meals and entertainment, which is converted from pounds to francs. He has not opened a Swiss bank account.
- He visits Jersey every month for three nights, staying in his family home, and each time visits his Jersey office to provide an update on his developmental progress in Switzerland. He returns to Jersey after two years.

**Residence determination:**

A multifactorial inquiry is required as Tom maintains ongoing access to accommodation at his prior residence in his family home in Jersey, where continued access is expected, and which he visits at regular intervals that are not in the pattern of a holidaymaker.

The multifactorial inquiry concludes that during Tom's secondment he did not make a distinct break from his life in Jersey. The fact that he had ongoing access to family accommodation, left behind his personal belongings and vehicle, and continued to contribute to Jersey Social Security are strong indicators that he did not move abroad for a settled purpose. The facts that he conducted his financial affairs through Jersey institutions, maintained professional connections to Jersey, and did not take significant steps to settle in Switzerland support the conclusion that his centre of vital interests remained on Island.

His absence is akin to an extended business trip and has the characteristics of an occasional residence abroad rather than a relocation. Tom will therefore be considered **ordinarily resident** in Jersey for the purposes of Article 126 and liable to Jersey income tax on his worldwide income. He may claim unilateral relief for any Swiss taxes paid on his employment income and retains entitlement to full personal allowances.