

Guidance for Scheme Administrators

An Accounting for Tax (AFT) return must be filed by a Scheme Administrator when a Scheme Administrator has a tax liability under Part 4 of Finance Act 2004. These notes will help you to file the return online.

Further guidance can be found in the Registered Pension Scheme Manual (RPSM). Go to www.hmrc.gov.uk and under *businesses and corporations* follow the link for *Pension Schemes* then *View the Registered Pension Schemes Manual*.

Complete a separate return for each registered pension scheme for which you are a Scheme Administrator.

In some cases, funds from a registered pension scheme may have been used to purchase, from an insurance company, an annuity or other insurance type contract from which benefits are paid. If you are an insurance company and you make a payment from such a policy or contract on which a special lump sum death benefits charge arises, then you are the person liable to that charge as if you were a Scheme Administrator. You are responsible for making a return of the liability.

You must make a return for each quarter in which a chargeable payment has been made. A quarter is the three-monthly period ending on 31 March, 30 June, 30 September and 31 December in each year.

Filing deadlines

The deadlines by which the returns must reach us electronically are as follows:

- a return for the quarter ended 30 June must reach us by 14 August in the same year
- a return for the quarter ended 30 September must reach us by 14 November in the same year
- a return for the quarter ended 31 December must reach us by 14 February in the following year
- a return for the quarter ended 31 March must reach us by 15 May in the same year.

Pension Scheme Tax Reference (PSTR)

The PSTR is the unique reference allocated to your scheme by HM Revenue & Customs (HMRC).

If the scheme was registered for tax relief and exemptions on or after 6 April 2006, or if you made a declaration that you were the Scheme Administrator of a deferred annuity contract made on or after 6 April 2006, this is the reference notified to you by HMRC in an electronic message on successfully registering the pension scheme. If you opted out of electronic communications you will have been sent a letter including the PSTR, acknowledging that the scheme was registered for tax purposes or that your declaration has been received.

If the scheme was set up before 6 April 2006, but the application for approval was dealt with on or after 31 March 2006, you will be sent an approval letter including the PSTR.

Amendments

If you become aware of an error in a return you should make an amended return to HMRC for the quarter concerned. Do not try to correct it by way of an adjustment in a return for a later quarter.

Errors in a return include:

- something which should have been included in the return for that quarter but has not been
- something which should not have been included in the return for that quarter but has been
- some other error has occurred in the return for that quarter.

An amended return must be a complete return and include all the relevant information for the quarter, not just the amended information.

Return information

Quarter and year

Enter the date for the end of the quarter for which a return is being made. This should be one of the following, 31 March, 30 June, 30 September or 31 December. Include the calendar year, in the format YYYY.

Summary of charges

Type of charge

Select 'Yes' for each charge that you are reporting in this return and for which you have accounted for the tax due. If this is the first return for a quarter, at least one charge must be selected. Nil returns are not required.

Short service refund lump sum charge

You should complete this section if the registered pension scheme has made any short service refund lump sum payments in the quarter.

A short service refund lump sum is a refund of contributions paid following an election by the member made under Section 101 AB(1)(b) Pensions Act 1993.

Number of members

Enter the number of members that have received a short service refund lump sum in the quarter.

Tax at 20%

Enter the total amount of tax due at the rate of 20% in whole pounds, rounding to the nearest pound. Tax is charged at 20% on amounts paid to each individual member that do not exceed £20,000.

Tax at 50%

Enter the total amount of tax due at the rate of 50% in whole pounds, rounding to the nearest pound. Tax is charged at 50% on amounts exceeding £20,000 that have been paid to an individual member.

Serious ill health lump sum charge

Complete this section if the registered pension scheme has made any payments on which a serious ill health lump sum charge arose in the quarter.

The serious ill health lump sum charge arises where:

- a serious ill health lump sum is paid to a member under age 75 and that member has insufficient lifetime allowance available or
- a serious ill health lump sum is paid to a member and that member is aged 75 or over.

Enter the number of members for which payments giving rise to a serious ill health charge were made in the quarter.

Tax at 55%

Tax is due at 55%. Enter the total amount of tax due in whole pounds, rounding to the nearest pound.

Special lump sum death benefits charge

Complete this section if the registered pension scheme has made any payments on which a special lump sum death benefits charge arose in the quarter.

The special lump sum death benefits charge arises where one of the following is paid by a registered pension scheme:

- a pension protection lump sum death benefit
- an annuity protection lump sum death benefit
- an unsecured pension fund lump sum death benefit.

The tax charge becomes due and payable for the quarter in which the lump sum death benefit is paid rather than at the date of the deceased member's death.

Enter the number of members for which payments, giving rise to a special lump sum death benefits charge, were made in the quarter.

Tax at 55%

Tax is due at 55%. Enter the total amount of tax due in whole pounds, rounding to the nearest pound.

Employer's authorised surplus payments charge

Complete this section if the registered pension scheme has made any authorised surplus payments to a sponsoring employer in the quarter.

Tax at 35%

Tax is due at 35%. Enter the amount due in whole pounds, rounding to the nearest pound, for all authorised surplus payments to sponsoring employers.

Name of sponsoring employer

Enter the full name of the sponsoring employer.

Address

Enter the full postal address of the sponsoring employer including the country in all cases.

Company Registration Number (CRN)

If the sponsoring employer receiving the payment is a company or another person registered with Companies House, enter the CRN. Otherwise, leave it blank.

Date of payment

Enter the date on which the payment to the sponsoring employer was made in the format DD MM YYYY.

Further payments

Select *Add another payment* if you have to report details of further sponsoring employers to whom authorised surplus payments have been made in the quarter.

Lifetime allowance charge

Complete this section if a lifetime allowance charge arose in the quarter in relation to a member of the registered pension scheme.

Name of member

Enter the full name of the member subject to the lifetime allowance charge.

National Insurance number (NINO)

Please see the *National Insurance number (NINO)* section on page 3 of these notes.

Date of benefit crystallisation event

Enter the date of the benefit crystallisation event in the format DD MM YYYY.

Tax at 25%

Tax is due at 25% of the retained amount. Enter the amount of tax due in whole pounds, rounding to the nearest pound, for this member.

Tax at 55%

Tax is due at 55% of the chargeable amount as part of the lump sum amount. Enter the amount of tax due in whole pounds, rounding to the nearest pound, for this member.

Further benefit crystallisation events

If the member had more than one benefit crystallisation event in relation to the scheme in the quarter, select **Add another benefit crystallisation event for this member**.

Annual allowance charge

Complete this section in respect of all members for whom the registered pension scheme has paid their annual allowance charge (or part of it) in the quarter.

Enter the number of members for whom the registered pension scheme has paid their annual allowance charge in the quarter.

Enter the total amount of tax in relation to the annual allowance charge for members referred to in 7.1

Name of member

Enter the full name of the member subject to the annual allowance charge.

National Insurance number (NINO)

Please see the *National Insurance number (NINO)* section on page 3 of these notes.

Date of notice

Enter the date the member gave the scheme notice that they wanted the scheme to pay an amount of their annual allowance liability in the format DD MM YYYY.

De-registration charge

Complete this section if HMRC has withdrawn the registration of the pension scheme.

Date registration withdrawn

Enter the date on which registration was withdrawn in the format DD MM YYYY.

Total tax

Enter the tax due at the rate of 40% on the value of the funds held for the purpose of the scheme immediately before the date on which registration was withdrawn. Enter the figure in whole pounds, rounding to the nearest pound.

National Insurance number (NINO)

If an individual advises you that they do not have a NINO, you should ask for written confirmation from them that they do not have a NINO and are not entitled to one. This could be a letter from Jobcentre Plus which confirms that they are not entitled to a NINO, or written confirmation from the individual themselves.

If the individual is unsure if they qualify for a NINO, you should advise them to contact the Jobcentre Plus Helpline on **0845 6000 643** to book a *Right To Work* interview. After the interview Jobcentre Plus will either provide the individual with a NINO or a letter advising them that they are not entitled to a NINO.

If an individual advises you that they have lost or cannot remember their NINO, you should advise them that they might be able to find it on official paperwork like their P60 or their payslip. If they still cannot find their NINO they can:

- ask HMRC to confirm it by completing and returning form CA5403 *Your National Insurance number*
- phone the National Insurance Registrations Helpline on **0845 915 7006** (lines open 8.30 am to 5.00 pm Monday to Friday)

Once an individual has provided written confirmation that they are not entitled to a NINO, you should phone Pension Schemes Services Helpline on **0845 600 2622** to obtain an alternative identifier which can be used when completing the necessary report or return. If the individual does not provide written confirmation you may not request an alternative identifier.

When contacting Pension Schemes Services to obtain an alternative identifier you will need the following information:

- individual's full name
- date of birth
- current address
- Pension Scheme Tax Reference (PSTR) and
- details of return or report being completed, for example 2009-10 Pension Scheme Return.

Pension Schemes Services will then provide you with an alternative identifier which can be entered in the NINO box on the return or report on Pension Schemes Online.

Declaration

Read both of the declarations carefully. If you are satisfied that they are correct, select both boxes to proceed. Complete the declaration and enter the full name and address of the Scheme Administrator or insurance company who has submitted this return including the country in all cases.

Payment reference number

When the return has been successfully **dealt with**, HMRC will give you a payment reference number. You should make your payment to HMRC quoting that reference number.

Further information on 'Paying HMRC' is shown below.





Tax is payable without assessment and is due 45 days after the end of the quarterly return period. You should allow enough time for payment to reach us.

If your return is late, you may be charged interest.

Paying HMRC

Please ensure your payment reaches us by the due date.

We recommend the payment methods shown at 1 – 4 below. These are the most secure and efficient.

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| 1. Direct Payment | Using the Internet or phone, provide your bank or building society with the following information to make a Direct Payment: | Further payment information You can find further payment information online. Go to www.hmrc.gov.uk and under quick links select Paying HMRC . If you need a payslip you should contact Pension Schemes Services on 0845 600 2622 . |
|  | <ul style="list-style-type: none"> • payment amount • sort code 08-32-10 • account name 'HMRC' • account number 12001020 • your reference as shown on the payslip. | |
| 2. BillPay | You can pay by Debit or Credit Card over the Internet. Go to www.billpayment.co.uk/hmrc and follow the guidance. | |
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| 3. Your Bank | If your bank offers this service, take the payslip and payment to any branch of your bank. Any cheque must be drawn on your bank, and made payable to 'HM REVENUE & CUSTOMS ONLY'. Other banks may refuse to accept payment. | |
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| 4. Post Office | Take this form with your payment to any participating Post Office. If paying by cheque, make your cheque payable to 'POST OFFICE LTD'. The Post Office also accept payment by Debit Card. | |
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