

To: Audit & Pension Schemes Services
Yorke House
Castle Meadow Road
Nottingham
NG2 1BG

From:

Date:/...../.....

Your ref: SF/...../.....

Our ref:

Insurance Companies

Chargeable Events – “Buy-out” Policies

Information required under regulation 11 of the Retirement Benefits Schemes (Information Powers) Regulations 1995 [SI 1995 No 3103].

Insurance companies should only complete this form where any of the events at 1, 2 or 3 occur under a “**buy-out policy**”. Chargeable events that occur other than under a “buy-out policy” should be reported separately on a form 1(SF).

An **insurance company**, which is a prescribed person under regulation 3(c), is required to supply the following information **not later than 180 days** after the end of the chargeable period of the insurance company in which the event occurs. **Failure to do so may lead to penalties under section 98 Taxes Management Act 1970. Nil reports are not required.**

Please read the notes on completion before completing this form.

If you do not make notification within the time limit specified, please give the reason for the delay.

| | Chargeable period ended/...../..... | Enter Totals for Period (£) | | | see note |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------|---------------|-------------|
| | | Gross Amount | Tax Deducted | Net Amount | |
| 1 | Contributions (including interest thereon, if any) repaid to employees or former employees during their lifetime except surplus voluntary contributions | | | | 1 and 2 |
| 2 | Lump sums paid in commutation of entire pension in the following special circumstances:– a. on grounds of triviality b. in exceptional circumstances of serious ill-health | | | | 1, 2 and 3 |
| 3 | Payments to an employer out of funds held under a contract for the purposes of providing an annuity | | | | 4 |

| Insurance Company | |
|--------------------------|-----------------------------------|
| 4 | Name and address of Insurer |
| | |
| | |
| | |

Signed (by or on behalf of the Insurer)

.....

Name in block capitals

.....

Date/...../20.....

Notes on Completion

1. Where the rules allow the insurance company to deduct the amount of the tax payable from the refund or lump sum, enter the full amount available for the employee(s) before any such deduction.
2. Where relief is claimed on the grounds that the employee's employment was carried on outside the United Kingdom give full particulars of all the places where the employment was carried on, with dates. Include the amount(s) on which relief is claimed in the totals entered on the return (see notes 1 and 3) and give details separately.
3. Enter the chargeable amount. The chargeable amount is normally the amount of the commutation payment less:
 - a. a sum equal to 3/80ths of the employee's average annual remuneration over the last 3 years' service multiplied by the number of years' service (maximum 40); or, if greater,
 - b. the largest sum which could have been received by way of commutation under the rules of the scheme, apart from the special circumstances. This is on the assumption that any discretion conferred on the administrator or employer as to the extent to which an employee may commute their pension would have been exercised to give the maximum lump sum consistent with the approval of the scheme.

Where, apart from the special circumstances (box 2), the benefits under a scheme take the form of a pension and a separate lump sum, rather than a partially commutable pension, restrict the amount deducted by the amount of the separate lump sum. Where it is known that an employee was also a member of another scheme relating to the same employment, separately provide details of the name of the member and the name(s) of the other scheme(s) because the law prevents relief being given twice over in these circumstances.

Note: Where an employee's benefit rights have been subject to a pension sharing order **or** where the rules of a scheme allow for the commutation of the entire pension payable to an ex-spouse from pension credit rights, reference should be made to PN (2001) 17.29-30.

4. Enter the total amount of the sums paid or which became due. Any refund out of pension scheme surpluses should have been notified already to Audit & Pension Schemes Services, part of IR Savings, Pensions, Share Schemes, **but if not already reported enter in this section.**

You should attach a Schedule showing:-

- the name(s), address(es) and company registration number(s) of the employer(s) to whom the payment(s) is/are made; and
 - the amount paid to each employer and the date.
5. Boxes 1 and 2 also apply to Free Standing Additional Voluntary Contribution Schemes (FSAVCS).