

You can use this Guide to work out the registered pension scheme's tax bill, if you want to.

You do not have to work out the tax bill or repayment yourself. If you do not want to, make sure the completed Tax Return reaches us by the later of 31 October and 2 months after the Notice was given.

If we receive the Tax Return after this time and you have not worked out the tax, we will do it for you. But we cannot guarantee to let you know what to pay by the due date of the later of 31 January and 3 months after the Notice was issued.

So, if you do not know what to pay, make an estimate and pay that. If you do NOT pay enough, you will have to pay interest, as well, and you may have to pay a surcharge.

If you need help

If you need help with the calculation ask HM Revenue & Customs (contact details are shown on the front of the Tax Return for Trustees of Registered Pension Schemes). But we will only be able to do the calculation for you when we have the Return.

How to use this Guide

The Working Sheet in this Guide will help you calculate the tax bill or the amount of repayment due to the Scheme.

If Questions 3 to 6 were not applicable, and:

- there are entries in boxes 1.5 or 2.4, then the Scheme does not owe any tax and there is a repayment due. **In this case, only complete box P14 in the working sheet,**
or
- there are **no** entries in boxes 1.5 and 2.4, then the Scheme does not owe any tax and there is no repayment due. In this case, the Working Sheet does not need to be completed. Enter '0' in box 7.1 in the Tax Return.

If you answered 'Yes' to any of Questions 3 to 6, then read the next section below, and complete the working sheet in this Guide.

Key steps in working out your tax

- Work out your total taxable income for 2008–09
- Work out the Income Tax due on this income
- Deduct tax paid or deducted from the taxable income
- Add any Capital Gains Tax due
- Work out the total tax due on income and gains
- Deduct any Income Tax available for repayment
- Work out the total tax owed or overpaid for 2008–09
- Work out if you need to make payments on account for 2009–10

Boxes on the working sheet:

P2
£

Entries in boxes printed in blue are copied directly from the Tax Return

P9
£

Entries in boxes printed in grey are part of the calculation process

Copy box P15 to box 7.1 in the Tax Return for Trustees of Registered Pension Schemes

Instructions printed in green ask you to copy a figure to another box in the calculation, or back onto the Return

Work out your total taxable income for 2008–09

■ Total income

Other income	from box 6.4	P1	£	
Trading profits	from box 3.3	P2	£	
Covenant income	from box 4.3	P3	£	
		total of boxes P1 to P3		P4
			£	

■ Deductions

Trading losses	from box 3.5	P5	£	
		box P4 minus box P5		P6
			£	
		box P6 x 40%		P7
Income Tax due			£	
Recoverable tax on charges	from boxes 5.2 and 5.4	P8	£	
		box P7 + box P8		P9
Income Tax due			£	

Work out your total tax due on income and gains for 2008–09

- Add together tax paid or tax deducted at source

Covenants from box 4.2 **P10**

Other income from box 6.3 **P11**

box P10 + box P11

P12

CALCULATION HELP

If both P10 and P11 are blank, copy the figure from box P9 to P13. If the figure in box P12 is greater than the figure in box P9, put brackets around the *minus* figure which results. This should never be more than the amount of UK tax deducted in boxes P10 and P11.

CALCULATION HELP

The only amount of Income Tax that can reduce the amount of total tax due in box P15 is the total of UK Income Tax that has still to be repaid to the scheme for 2008–09. This is the total of the amounts entered in boxes 2.4 and 1.5 on page 2 of the Tax Return. Enter this figure in box P14. Income Tax deducted from income received from Deeds of Covenant (box P10) is not available for repayment.

box P9 *minus* box P12

Income Tax due

P13

Income Tax available for repayment

from boxes 1.5 and 2.4

P14

box P13 *minus* box P14

Tax due

P15

- Chargeable gains

from box 6.5 **P16**

P16 x 18%

P17

P15 + P17

P18

copy box P18 to box 7.1 in the Tax Return for Trustees of Registered Pension Schemes

Work out what you have to pay us by 31 January, or what we have to pay you

Payments already made from your
Statements of Account
P19
£

If box P20 is positive, this is the tax you owe
If box P20 is negative, this is the tax we owe you

box P18 *minus* P19
P20
£

box 7.2 on the Tax Return

Some pension schemes will have to make two payments on account for 2009–10, each equal to half of the Income Tax liability for 2008–09. The first payment is due on 31 January 2010, and the second is due on 31 July 2010.

No payments on account for 2009–10 will be necessary if the tax bill for 2008–09 is below £1,000, or if most (80%) of the tax is collected at source.

Follow the instructions for boxes P21 and P22, below.

If box P15 is less than £1,000, you do not need to make payments on account. Tick box 7.4. The figure in box P20 is the amount due by 31 January 2010.

If it is equal to or more than £1,000, carry on to box P21.

box P9 x 20%
P21
£

Compare box P21 with box P13.

If box P13 is less than box P21 you do not need to make payments on account. Tick box 7.4. The figure in box P20 is the amount due by 31 January 2010.

If box P13 is equal to or more than P21 you do need to make payments on account. Carry on to box P22 to work out each payment on account for 2009–10.

box P15 x 50%
P22
£

*copy box P22 to box 7.2 in
the Tax Return for Trustees
of Registered Pension Schemes*

box P20 (if a positive
figure) + box P22
P23
If this figure is positive then this is
the amount due by 31 January 2010
£

box 7.3 on the Tax Return

Tick box 7.3 if you want to make reduced payments on account. This might happen if:

- you expect the income in 2009–10 to be lower than the income in 2008–09, **or**
- you expect that more of the income will be taxed at source.

If you want to reduce the payments on account:

- you must make a reasonable **estimate on the basis of the information you have now** of the difference between the Income Tax you expect to pay for 2009–10 and the Income Tax for 2008–09 on this Tax Return. You can reduce each of the payments on account by half this difference
- enter the amount of each reduced payment on account in box 7.2
- tick box 7.3
- write the reason for reducing the payments on account in the 'Additional information' box on page 6 of the Tax Return.

If you decide later that you have reduced the payments on account by too little, you should write to us giving the reason why you are claiming to reduce the payments further.

You should ensure that the payments you make by 31 January 2010 and 31 July 2010 add up to your best estimate of the final liability for 2009–10.

If the payments on account turn out to be different from the tax bill for 2009–10:

- if you have paid more than you needed to, you will be credited with interest
- if you have paid less than you needed to, you will be charged interest.

The two payments on account only need to add up to the smaller of:

- the actual Income Tax due for 2009–10, (net of tax deducted at source and tax credits on dividends), **or**
- the actual Income Tax due for 2008–09 (net of tax deducted at source and tax credits on dividends).

If you have been fraudulent or negligent in claiming a reduction in payments on account, you may be charged a penalty.

If you decide later that you have reduced the payments on account by too much, you can make a claim to revise the amounts upwards and/or pay additional amounts in line with your revised estimate. If you do not make a claim, additional amounts paid may be allocated to other outstanding liabilities.