HMRC - PTM093210 - Applying For Fixed Protection 2016 (FP 2016)

How to apply for FP 2016 - introduction

How to apply for FP 2016 - introduction

Parts 1 and 3 Schedule 4 Finance Act 2016

There is no closing date for making an application for FP 2016. An application for FP 2016 may be made any time on or after 6 April 2016.

Applications for FP 2016 made before 6 April 2016 were invalid and were not processed by HMRC. Where a member has made an application that is invalid because it was made too early, they can resubmit their application at any time after 5 April 2016.

A member can apply for FP 2016 if they do not have any of fixed protection 2014 (FP 2014), fixed protection (FP 2012), primary protection or enhanced protection. They do not need to have already built up pension savings of more than £1.25 million to apply. As an application for FP 2016 can be made at any time, if another existing protection is lost, the member can then apply for FP 2016.

If someone wants to apply for FP 2016 then they will need to meet certain conditions. These are that, on 6 April 2016, they:

were a member of a registered pension scheme or a relieved member of a relevant non-UK pension scheme (see PTM113410 for definitions of a ‘relieved member’ and a ‘relieved non-UK pension scheme’),

did not have primary protection (see PTM092300 for more detail), did not have enhanced protection (see PTM092400 for more detail),

did not have FP 2012 or FP 2014 (see PTM093000 for more detail)

did not have individual protection 2014 (IP 2014) - see PTM094000 for more detail.

Once a member is satisfied that they meet these conditions then they can apply to HMRC to get FP 2016 provided a protection-cessation event (see PTM093400) has not occurred.

Once, an individual has FP 2016 there are restrictions on what they are able to do with their future pension savings. For example, they will normally have needed to stop building up benefits under every registered pension scheme that they belong to by 5 April 2016.

Applications for FP 2016 must be made online

Paragraph 14(3)(b) and (c) Schedule 4 Finance Act 2016

Applications for FP 2016 must be made online on or after 6 April 2016. See link below for more details.

https://www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance

Who can make an online applications for FP 2016?

Paragraph 14(3)(a) Schedule 4 Finance Act 2016

An application can be made by either the member themselves or some other person on their behalf.

Conditions required for a valid application for FP 2016

Paragraph 14(3) Schedule 4 Finance Act 2016

An application for FP 2016 must be made online on or after 6 April 2016 (see above). For the online application to be valid, certain conditions have to be met. These conditions are that the application must:

be made by or on behalf of the individual concerned,

contain the individual’s title, full name, full postal address and e-mail address and, where the individual is not the applicant, contain the same details for the applicant as well

give the individual’s date of birth

give the individual’s National Insurance number (or if they do not have a National Insurance number, give the reason for this),

How to apply for FP 2016 - introduction

How to apply for FP 2016 - introduction

Parts 1 and 3 Schedule 4 Finance Act 2016

There is no closing date for making an application for FP 2016. An application for FP 2016 may be made any time on or after 6 April 2016.

Applications for FP 2016 made before 6 April 2016 were invalid and were not processed by HMRC. Where a member has made an application that is invalid because it was made too early, they can resubmit their application at any time after 5 April 2016.

A member can apply for FP 2016 if they do not have any of fixed protection 2014 (FP 2014), fixed protection (FP 2012), primary protection or enhanced protection. They do not need to have already built up pension savings of more than £1.25 million to apply. As an application for FP 2016 can be made at any time, if another existing protection is lost, the member can then apply for FP 2016.

If someone wants to apply for FP 2016 then they will need to meet certain conditions. These are that, on 6 April 2016, they:

were a member of a registered pension scheme or a relieved member of a relevant non-UK pension scheme (see PTM113410 for definitions of a ‘relieved member’ and a ‘relieved non-UK pension scheme’),

did not have primary protection (see PTM092300 for more detail), did not have enhanced protection (see PTM092400 for more detail),

did not have FP 2012 or FP 2014 (see PTM093000 for more detail)

did not have individual protection 2014 (IP 2014) - see PTM094000 for more detail.

Once a member is satisfied that they meet these conditions then they can apply to HMRC to get FP 2016 provided a protection-cessation event (see PTM093400) has not occurred.

Once, an individual has FP 2016 there are restrictions on what they are able to do with their future pension savings. For example, they will normally have needed to stop building up benefits under every registered pension scheme that they belong to by 5 April 2016.

Applications for FP 2016 must be made online

Paragraph 14(3)(b) and (c) Schedule 4 Finance Act 2016

Applications for FP 2016 must be made online on or after 6 April 2016. See link below for more details.

https://www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance

Who can make an online applications for FP 2016?

Paragraph 14(3)(a) Schedule 4 Finance Act 2016

An application can be made by either the member themselves or some other person on their behalf.

Conditions required for a valid application for FP 2016

Paragraph 14(3) Schedule 4 Finance Act 2016

An application for FP 2016 must be made online on or after 6 April 2016 (see above). For the online application to be valid, certain conditions have to be met. These conditions are that the application must:

be made by or on behalf of the individual concerned,

contain the individual’s title, full name, full postal address and e-mail address and, where the individual is not the applicant, contain the same details for the applicant as well

give the individual’s date of birth

give the individual’s National Insurance number (or if they do not have a National Insurance number, give the reason for this),

contain a declaration that the member meets the conditions for FP 2016 (see](#apply) 2016 {#} - introduction),

contain a declaration that everything stated in the application is true and complete to the best of the applicant’s knowledge and belief,

contain a declaration that the individual has met the conditions referred to in the introduction above, and

contain a declaration that, in the period from 6 April 2016 to the date the application is made, no protection-cessation event (see PTM093400) has occurred in relation to the member.

There is no need to give any valuation of current or expected pension funds as part of the application.

Giving up enhanced protection

If a member has enhanced protection on 6 April 2016 then they cannot benefit from FP 2016.

Once a member has told HMRC that they plan to rely on enhanced protection they will have received a certificate with details of their protection. However, unlike primary protection a member can choose to give up enhanced protection.

If a member has enhanced protection only (without primary protection) then so long as they have given this up before 6 April 2016 they can apply for FP 2016.

If a member holds both primary and enhanced protection and they choose to give up enhanced protection, they will still have their primary protection. As a member cannot give up primary protection, this will stop them from benefitting from FP 2016.

If an individual wishes to give up enhanced protection they must tell HMRC in writing. The relevant legislation says that in such cases, enhanced protection ceases from the date HMRC receives this written notice. So enhanced protection cannot be given up from some future date. If a member wished to keep enhanced protection until 5 April 2016 they must have ensured that HMRC received their written notice on that date. Once an individual has given up enhanced protection they cannot change their mind. Enhanced protection cannot be re-instated. If a member gets FP 2016 by giving up enhanced protection and later finds they made the wrong decision they cannot get their enhanced protection back.

Will HMRC accept all applications for FP 2016?

Paragraphs 14(1), (2), (4), and 16 Schedule 4 Finance Act 2016

As long as the member completes the prescribed form giving all the information that is requested then the application is a valid application which will be accepted by HMRC. Where HMRC refuse to accept an application, they must notify the member who has a right to appeal against that decision (see Appeal against HMRC’s refusal to issue or decision to withdraw a reference number).

How will a member know if HMRC has accepted their application for FP 2016?

Paragraph 14(1) to (4) Schedule 4 Finance Act 2016

When HMRC has received an application and accepted it as valid they will issue the member with a reference number unless the member already has IP 2014. This will be done online.

Where the member makes a valid application for FP 2016 but has already successfully applied for IP 2014, then their application is successful on a dormant basis. This is because IP 2014 protects pension savings with a value of between £1.25 millions and £1.5 million and so protects a greater amount of pension savings than FP 2016. This means that HMRC will not issue the member with a reference number unless and until the member’s IP 2014 no longer applies (see PTM094400 for when this happens). HMRC will notify the individual accordingly. If IP 2014 no longer applies, the member must inform HMRC of this whereupon HMRC will issue the FP 2016 reference number.

When HMRC may withdraw a FP 2016 reference number

Paragraph 15 Schedule 4 Finance Act 2016

HMRC may withdraw a reference number that they have issued to a member if

How to apply for FP 2016 - introduction

How to apply for FP 2016 - introduction

Parts 1 and 3 Schedule 4 Finance Act 2016

There is no closing date for making an application for FP 2016. An application for FP 2016 may be made any time on or after 6 April 2016.

Applications for FP 2016 made before 6 April 2016 were invalid and were not processed by HMRC. Where a member has made an application that is invalid because it was made too early, they can resubmit their application at any time after 5 April 2016.

A member can apply for FP 2016 if they do not have any of fixed protection 2014 (FP 2014), fixed protection (FP 2012), primary protection or enhanced protection. They do not need to have already built up pension savings of more than £1.25 million to apply. As an application for FP 2016 can be made at any time, if another existing protection is lost, the member can then apply for FP 2016.

If someone wants to apply for FP 2016 then they will need to meet certain conditions. These are that, on 6 April 2016, they:

were a member of a registered pension scheme or a relieved member of a relevant non-UK pension scheme (see PTM113410 for definitions of a ‘relieved member’ and a ‘relieved non-UK pension scheme’),

did not have primary protection (see PTM092300 for more detail), did not have enhanced protection (see PTM092400 for more detail),

did not have FP 2012 or FP 2014 (see PTM093000 for more detail)

did not have individual protection 2014 (IP 2014) - see PTM094000 for more detail.

Once a member is satisfied that they meet these conditions then they can apply to HMRC to get FP 2016 provided a protection-cessation event (see PTM093400) has not occurred.

Once, an individual has FP 2016 there are restrictions on what they are able to do with their future pension savings. For example, they will normally have needed to stop building up benefits under every registered pension scheme that they belong to by 5 April 2016.

Applications for FP 2016 must be made online

Paragraph 14(3)(b) and (c) Schedule 4 Finance Act 2016

Applications for FP 2016 must be made online on or after 6 April 2016. See link below for more details.

https://www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance

Who can make an online applications for FP 2016?

Paragraph 14(3)(a) Schedule 4 Finance Act 2016

An application can be made by either the member themselves or some other person on their behalf.

Conditions required for a valid application for FP 2016

Paragraph 14(3) Schedule 4 Finance Act 2016

An application for FP 2016 must be made online on or after 6 April 2016 (see above). For the online application to be valid, certain conditions have to be met. These conditions are that the application must:

be made by or on behalf of the individual concerned,

contain the individual’s title, full name, full postal address and e-mail address and, where the individual is not the applicant, contain the same details for the applicant as well

give the individual’s date of birth

give the individual’s National Insurance number (or if they do not have a National Insurance number, give the reason for this),

How to apply for FP 2016 - introduction

How to apply for FP 2016 - introduction

Parts 1 and 3 Schedule 4 Finance Act 2016

There is no closing date for making an application for FP 2016. An application for FP 2016 may be made any time on or after 6 April 2016.

Applications for FP 2016 made before 6 April 2016 were invalid and were not processed by HMRC. Where a member has made an application that is invalid because it was made too early, they can resubmit their application at any time after 5 April 2016.

A member can apply for FP 2016 if they do not have any of fixed protection 2014 (FP 2014), fixed protection (FP 2012), primary protection or enhanced protection. They do not need to have already built up pension savings of more than £1.25 million to apply. As an application for FP 2016 can be made at any time, if another existing protection is lost, the member can then apply for FP 2016.

If someone wants to apply for FP 2016 then they will need to meet certain conditions. These are that, on 6 April 2016, they:

were a member of a registered pension scheme or a relieved member of a relevant non-UK pension scheme (see PTM113410 for definitions of a ‘relieved member’ and a ‘relieved non-UK pension scheme’),

did not have primary protection (see PTM092300 for more detail), did not have enhanced protection (see PTM092400 for more detail),

did not have FP 2012 or FP 2014 (see PTM093000 for more detail)

did not have individual protection 2014 (IP 2014) - see PTM094000 for more detail.

Once a member is satisfied that they meet these conditions then they can apply to HMRC to get FP 2016 provided a protection-cessation event (see PTM093400) has not occurred.

Once, an individual has FP 2016 there are restrictions on what they are able to do with their future pension savings. For example, they will normally have needed to stop building up benefits under every registered pension scheme that they belong to by 5 April 2016.

Applications for FP 2016 must be made online

Paragraph 14(3)(b) and (c) Schedule 4 Finance Act 2016

Applications for FP 2016 must be made online on or after 6 April 2016. See link below for more details.

https://www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance

Who can make an online applications for FP 2016?

Paragraph 14(3)(a) Schedule 4 Finance Act 2016

An application can be made by either the member themselves or some other person on their behalf.

Conditions required for a valid application for FP 2016

Paragraph 14(3) Schedule 4 Finance Act 2016

An application for FP 2016 must be made online on or after 6 April 2016 (see above). For the online application to be valid, certain conditions have to be met. These conditions are that the application must:

be made by or on behalf of the individual concerned,

contain the individual’s title, full name, full postal address and e-mail address and, where the individual is not the applicant, contain the same details for the applicant as well

give the individual’s date of birth

give the individual’s National Insurance number (or if they do not have a National Insurance number, give the reason for this),

contain a declaration that the member meets the conditions for FP 2016 (see](#apply) 2016 {#} - introduction),

contain a declaration that everything stated in the application is true and complete to the best of the applicant’s knowledge and belief,

contain a declaration that the individual has met the conditions referred to in the introduction above, and

contain a declaration that, in the period from 6 April 2016 to the date the application is made, no protection-cessation event (see PTM093400) has occurred in relation to the member.

There is no need to give any valuation of current or expected pension funds as part of the application.

Giving up enhanced protection

If a member has enhanced protection on 6 April 2016 then they cannot benefit from FP 2016.

Once a member has told HMRC that they plan to rely on enhanced protection they will have received a certificate with details of their protection. However, unlike primary protection a member can choose to give up enhanced protection.

If a member has enhanced protection only (without primary protection) then so long as they have given this up before 6 April 2016 they can apply for FP 2016.

If a member holds both primary and enhanced protection and they choose to give up enhanced protection, they will still have their primary protection. As a member cannot give up primary protection, this will stop them from benefitting from FP 2016.

If an individual wishes to give up enhanced protection they must tell HMRC in writing. The relevant legislation says that in such cases, enhanced protection ceases from the date HMRC receives this written notice. So enhanced protection cannot be given up from some future date. If a member wished to keep enhanced protection until 5 April 2016 they must have ensured that HMRC received their written notice on that date. Once an individual has given up enhanced protection they cannot change their mind. Enhanced protection cannot be re-instated. If a member gets FP 2016 by giving up enhanced protection and later finds they made the wrong decision they cannot get their enhanced protection back.

Will HMRC accept all applications for FP 2016?

Paragraphs 14(1), (2), (4), and 16 Schedule 4 Finance Act 2016

As long as the member completes the prescribed form giving all the information that is requested then the application is a valid application which will be accepted by HMRC. Where HMRC refuse to accept an application, they must notify the member who has a right to appeal against that decision (see Appeal against HMRC’s refusal to issue or decision to withdraw a reference number).

How will a member know if HMRC has accepted their application for FP 2016?

Paragraph 14(1) to (4) Schedule 4 Finance Act 2016

When HMRC has received an application and accepted it as valid they will issue the member with a reference number unless the member already has IP 2014. This will be done online.

Where the member makes a valid application for FP 2016 but has already successfully applied for IP 2014, then their application is successful on a dormant basis. This is because IP 2014 protects pension savings with a value of between £1.25 millions and £1.5 million and so protects a greater amount of pension savings than FP 2016. This means that HMRC will not issue the member with a reference number unless and until the member’s IP 2014 no longer applies (see PTM094400 for when this happens). HMRC will notify the individual accordingly. If IP 2014 no longer applies, the member must inform HMRC of this whereupon HMRC will issue the FP 2016 reference number.

When HMRC may withdraw a FP 2016 reference number

Paragraph 15 Schedule 4 Finance Act 2016

HMRC may withdraw a reference number that they have issued to a member if

something contained in the member’s application was incorrect there has been a protection-cessation event (see](https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm093400) for more detail) since their application was made

the member has failed to respond within the given deadline to a notice given by HMRC under paragraph 1 of Schedule 36 to Finance Act 2008 relating to the member and FP 2016.

If HMRC withdraws a member’s FP 2016 they must notify the member to tell them that they have done so and give their reasons for the withdrawal. The member may appeal against the withdrawal of their reference number.

Appeal against HMRC’s refusal to issue or decision to withdraw a FP 2016 reference number

Paragraph 16 Schedule 4 Finance Act 2016

Where HMRC has refused to accept a member’s application for FP 2016, they must notify the member that their application has been unsuccessful. The member may appeal against this decision to the First-tier or Upper-tier Tribunal as appropriate. The member may similarly appeal against HMRC’s decision to withdraw their reference number.

The member must tell HMRC if they want to appeal against the refusal to issue a reference number or the withdrawal of their reference number and they must do this within 30 days of the date when the notification of refusal/withdrawal was given. An appeal cannot be made where the application has been successful on a dormant basis (see How will a member know if HMRC has accepted their application for FP 2016?).

Where the appeal is considered by the tribunal and relates to the refusal to issue a reference number, the tribunal will allow the appeal if the tribunal is satisfied that:

the application was a valid application (see Conditions required for a valid application for FP 2016)

everything in the application was correct, and

that, at the time of their decision, withdrawal of the requested reference number would not, had it been issued, be authorised either because a protection-cessation event has occurred or because the individual has failed to comply, within the required time, with a notice they have been given under Paragraph 1 of Schedule 36 to Finance Act 2008 to provide information or a document to HMRC to allow their tax position to be checked.

If the above grounds are not satisfied the tribunal must dismiss the appeal.

If the tribunal finds that HMRC should have accepted the notice then HMRC must issue the member with a FP 2016 reference number.

Where the appeal is considered by the tribunal and relates to the withdrawal of a reference number, the tribunal will allow the appeal if the tribunal is satisfied that the withdrawal was not authorised on the grounds set out at When HMRC may withdraw a reference number.

Notifying subsequent protection-cessation events

Paragraph 17 Schedule 4 Finance Act 2016

An individual must notify HMRC if a protection-cessation event (see PTM093400) has occurred at a time when any of the following circumstances apply:

the individual has been issued with a reference number following a successful application for FP 2016,

the individual has a pending application for a FP 2016 reference number. A pending application is one where either the individual has made an application but does not yet know if it has been successful (i.e. they have not been issued with a reference number) or the application has been unsuccessful but an appeal is in progress against HMRC’s refusal to issue a reference number (an appeal, including a further appeal, is in progress for so long as it has not been either withdrawn or determined and there is no prospect of further appeal, or

an appeal is in progress against HMRC’s decision to withdraw the individual’s FP 2016 reference number.

Where any of the above circumstances apply, the individual must notify HMRC that the protection-cessation event has occurred. The notice must be given within 90 days of the day on which the individual could first reasonably be expected to have known that the event has occurred. The notice must be given either using the online facility provided by HMRC for this purpose or by any other means authorised by HMRC in a particular case.

What happens if the member dies before they have made an application for FP 2016?

Paragraph 19 Schedule 4 Finance Act 2016

Where the member dies before making an application for FP 2016, their personal representatives (PRs) are able to do anything in relation to applying for FP 2014 that the member could have done.

So all of the above guidance applies to PRs in such circumstances. Where the application is being made by the member’s PRs there is a further condition for a valid application (see Conditions {#} required for a valid application for FP) namely that the application must contain the individual’s date of death as well as their date of birth.

If, after the individual’s death, HMRC decides to withdraw a reference number issued to the individual (see When HMRC may withdraw a reference number) they must give the notice of, and reasons for, to the individual’s PRs.

Previous page

Next page