

Trustees of Registered Pension Schemes Tax Calculation Guide

Tax year 6 April 2011 to 5 April 2012

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 for Trustees of Registered Pension Schemes reaches us by the later of 31 October and two months after the Notice was given.

If we receive the Tax Return for Trustees of Registered Pension Schemes 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 three 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 tax 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 for Trustees of Registered Pension Schemes.

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 2011–12.
- 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 2011–12.
- Work out if you need to make payments on account for 2012–13.

Boxes on the Working Sheet

Entries in boxes printed in green are copied directly from the Tax Return for Trustees of Registered Pension Schemes.

| | |
|----|---------|
| | Example |
| P2 | £ |

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

| | |
|----|---------|
| | Example |
| P9 | £ |

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

Example
*Copy box P21 to box 7.1 in
the Tax Return for Trustees
of Registered Pension Schemes*

We have a range of services for people with disabilities, including guidance in Braille, audio and large print. Most of our forms are available in large print. Please contact us on any of our phone helplines if you need these services.

Work out your total taxable income, and tax due on income and gains, for 2011–12

Total income

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

Deductions

| | | | |
|----------------|----|---|----------------------------|
| Trading losses | P5 | £ | from box 3.5 |
| | P6 | £ | box P4 <i>minus</i> box P5 |
| Income Tax due | P7 | £ | box P6 x 50% |

| | | | |
|----------------------------|----|---|------------------------|
| Recoverable tax on charges | P8 | £ | from boxes 5.2 and 5.4 |
| Income Tax due | P9 | £ | box P7 + box P8 |

Add together tax paid or tax deducted at source

| | | | |
|--------------|-----|---|-------------------|
| Covenant | P10 | £ | from box 4.2 |
| Other income | P11 | £ | from box 6.3 |
| | P12 | £ | box P10 + box P11 |

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 2011–12. This is the total of the amounts entered in boxes 2.4 and 1.5 on page 2 of the Tax Return for Trustees of Registered Pension Schemes. Enter this figure in box P14. Income Tax deducted from income received from Deeds of Covenant (box P10) is not available for repayment.

| | | | |
|------------------------------------|-----|---|------------------------------|
| Income Tax available for repayment | P14 | £ | from boxes 1.5 and 2.4 |
| | P13 | £ | box P9 <i>minus</i> box P12 |
| Tax due | P15 | £ | box P13 <i>minus</i> box P14 |

Chargeable gains

from box 6.5
P16 £

from box 6.6
P18 £

box P16 @ 28%
P17 £

box P18 @ 10%
P19 £

box P17 + box P19
P20 £

box P15 + box P20
P21 £

*copy box P21 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

from your
Statement of Accounts
P22 £
Payments already made

If box P23 is positive, this is the tax you owe
If box P23 is negative, this is the tax we owe you

box P21 minus P22
P23 £

box 7.2 on the tax return

Some pension schemes will have to make two payments on account for 2012-13, each equal to half of the Income Tax liability for 2011-12. The first payment is due on 31 January 2013, and the second is due on 31 July 2013.

No payments on account for 2012-13 will be necessary if the tax bill for 2011-12 is below £1,000, or if most (80%) of the tax is collected at source.

Follow the instructions for boxes P24 and P25, 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 P23 is the amount due by 31 January 2013.

If it is equal to or more than £1,000, carry on to box P24.

box P9 x 20%
P24 £

Compare box P24 with box P13. If box P13 is less than box P24 you do not need to make payments on account. Tick box 7.4. The figure in box P23 is the amount due by 31 January 2013.

If box P13 is equal to or more than box P24 you do need to make payments on account.
Carry on to box P25 to work out each payment on account for 2012-13.

box P15 x 50%
P25 £

*copy box P25 to box 7.2 in
the Tax Return for Trustees
of Registered Pension Schemes*

If this figure is positive then this is
the amount due by 31 January 2013

box P23 (if a positive
figure) + box P25
P26 £

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 2012-13 to be lower than the income in 2011-12, 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 2012-13 and the Income Tax for 2011-12 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 7 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 2013 and 31 July 2013 add up to your best estimate of the final liability for 2012-13.

If the payments on account turn out to be different from the tax bill for 2012-13:

- 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 2012-13 (net of tax deducted at source and tax credits on dividends), or
- the actual Income Tax due for 2011-12 (net of tax deducted at source and tax credits on dividends).

If you have been fraudulent or careless 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.

These notes are for guidance only and reflect the position at the time of writing. They do not affect any rights of appeal. Any subsequent amendments to these notes can be found at www.hmrc.gov.uk

Customer Information Team

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