

# Trustees of Registered Pension Schemes Tax Calculation Guide

## Tax year 6 April 2010 to 5 April 2011

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 2010–11.
- 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 2010–11.
- Work out if you need to make payments on account for 2011–12.

## 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 P18 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 2010–11

### 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 2010–11. 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
Tax due	P15	£	box P13 <i>minus</i> box P14
	P13	£	box P9 <i>minus</i> box P12

## Chargeable gains

	from box 6.5		box P16 @ 18%
P16	£	P17	£
	from box 6.6		box P18 @ 10%
P18	£	P19	£
	from box 6.7		box P20 @ 28%
P20	£	P21	£
			box P17 + box P19 + box 21
		P22	£
			box P15 + box P22
		P23	£

*copy box P23 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
P24	£
<b>Payments already made</b>	
	box P23 <i>minus</i> P24
P25	£

**If box P25 is positive, this is the tax you owe**  
**If box P25 is negative, this is the tax we owe you**

### box 7.2 on the tax return

Some pension schemes will have to make two payments on account for 2011-12, each equal to half of the Income Tax liability for 2010-11. The first payment is due on 31 January 2012, and the second is due on 31 July 2012.

No payments on account for 2011-12 will be necessary if the tax bill for 2010-11 is below £1,000, or if most (80%) of the tax is collected at source.

Follow the instructions for boxes P26 and P27, 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 P25 is the amount due by 31 January 2012.**

**If it is equal to or more than £1,000, carry on to box P26.**

	box P9 x 20%
P26	£

**Compare box P26 with box P13. If box P13 is less than box P26 you do not need to make payments on account. Tick box 7.4. The figure in box P25 is the amount due by 31 January 2012.**

**If box P13 is equal to or more than box P26 you do need to make payments on account.**

**Carry on to box P27 to work out each payment on account for 2011-12.**

	box P15 x 50%
P27	£

*copy box P27 to box 7.2 in  
the Tax Return for Trustees  
of Registered Pension Schemes*

	box P25 (if a positive figure) + box P27
P28	£

**If this figure is positive then this is  
the amount due by 31 January 2012**

## 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 2011-12 to be lower than the income in 2010-11, 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 2011-12 and the Income Tax for 2010-11 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 2012 and 31 July 2012 add up to your best estimate of the final liability for 2011-12.

### **If the payments on account turn out to be different from the tax bill for 2011-12:**

- 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 2011-12 (net of tax deducted at source and tax credits on dividends), or
- the actual Income Tax due for 2010-11 (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](http://www.hmrc.gov.uk)

Customer Information Team

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