

Trustees of registered pension schemes tax calculation guide

Tax year 6 April 2015 to 5 April 2016

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

You don't have to work out the tax bill or repayment yourself. If you don't want to, make sure the completed 'Tax return for trustees of registered pension schemes' reaches us by the later of 31 October or 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 can't guarantee to let you know what to pay by the due date of the later of 31 January or 3 months after we issued the Notice.

So, if you don't know what to pay, make an estimate and pay that. If you don't 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 us (our 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 doesn't owe any tax and there is a repayment due – in this case, only complete box P19 in the working sheet
- 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, you don't need to complete the working sheet – 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 2015–16
- 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 2015–16
- Work out if you need to make payments on account for 2016–17

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

Example

P9	£
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Instructions printed in green ask you to copy a figure to another box in the calculation, or back onto the return.

Example
Copy box P26 to box 7.1 in the 'Tax return for trustees of registered pension schemes'

We have a range of services for disabled people. These include guidance in Braille, audio and large print. Most of our forms are also available in large print. Please contact our helplines for more information.

Work out your total taxable income, and tax due on income and gains, for 2015-16

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

P7 £1,000

smaller of P6 and P7
P8 £

box P6 minus box P8
P10 £

Trading losses from box 3.5
P5 £

box P4 minus box P5
P6 £

box P8 x 20%
P9 £

box P10 x 45%
P11 £

box P9 + box P11
P12 £

Income Tax due

from boxes 5.2 and 5.4
P13 £

Recoverable tax on charges

box P12 + box P13
P14 £

Income Tax due

Add together tax paid or tax deducted at source

Covenant from box 4.2
P15 £

Other income from box 6.3
P16 £

box P15 + box P16
P17 £

Calculation help

The only amount of Income Tax that can reduce the amount of total tax due in box P20 is the total of UK Income Tax that has still to be repaid to the scheme for 2015-16. 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 P19. Income Tax deducted from income received from deeds of covenant (box P15) is not available for repayment.

Calculation help

If both P15 and P16 are blank, copy the figure from box P14 to box P18. If the figure in box P17 is greater than the figure in box P14, put brackets around the minus figure which results. This should never be more than the amount of UK tax deducted in boxes P15 and P16.

box P14 minus box P17
P18 £

Income Tax due

Income Tax available for repayment from boxes 1.5 and 2.4
P19 £

box P18 minus box P19
P20 £

Tax due

Chargeable gains

from box 6.5
P21 £

box P21 x 28%
P22 £

from box 6.6
P23 £

box P23 x 10%
P24 £

box P22 + box P24
P25 £

box P20 + box P25
P26 £

Copy box P26 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
Payments already made P27 £

If box P28 is positive, this is the tax you owe
If box P28 is negative, this is the tax we owe you
box P26 minus P27
P28 £

box 7.2 on the tax return

Some pension schemes will have to make 2 payments on account for 2016–17, each equal to half of the Income Tax liability for 2015–16. The first payment is due on 31 January 2017, and the second is due on 31 July 2017.

No payments on account for 2016–17 will be necessary if the tax bill for 2015–16 is below £1,000, or if most (80%) of the tax is collected at source.

Follow the instructions for boxes P29 and P30, below.

If box P20 is less than £1,000, you don't need to make payments on account. Tick box 7.4.

The figure in box P28 is the amount due by 31 January 2017.

If it is equal to or more than £1,000, carry on to box P29.

box P14 x 20%
P29 £

Compare box P29 with box P18. If box P18 is less than box P29 you don't need to make payments on account. Tick box 7.4. The figure in box P29 is the amount due by 31 January 2017.

If box P18 is equal to or more than box P29 you do need to make payments on account. Carry on to box P30 to work out each payment on account for 2016–17.

box P20 x 50%
P30 £

Copy box P30 to box 7.2 in the 'Tax return for trustees of registered pension schemes'

box P28 (if a positive figure) + box P30
If this figure is positive then this is the amount due by 31 January 2017
P31 £

box 7.3 on the tax return

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

- you expect the income in 2016–17 to be lower than the income in 2015–16
- 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 2016–17 and the Income Tax for 2015–16 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 make sure that the payments you make by 31 January 2017 and 31 July 2017 add up to your best estimate of the final liability for 2016–17.

If the payments on account turn out to be different from the tax bill for 2016–17:

- 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 2 payments on account only need to add up to the smaller of either:

- the actual Income Tax due for 2016–17 (net of tax deducted at source and tax credit on dividends)
- the actual Income Tax due for 2015–16 (net of tax deducted at source and tax credit 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 don’t make a claim, we may allocate additional amounts you have paid to other outstanding liabilities.

These notes are for guidance only and reflect the position at the time of writing.
They do not affect the right of appeal.