

# **Armed Forces Pension Scheme (AFPS) A Step-by-Step Guide to the**

# **Pension Savings Taxation Notification Letter for Tax Year 2018/19**

# Scope

- Why have I received an Annual Allowance (AA) Pensions Savings Statement for Tax Year 2018/19? - [Slide 3](#)
- Your letter – [Slide 4](#)
- What do I need to do **NOW**? – [Slide 5](#)
- **Step-by-Step guide 1: Are you liable for an AA tax charge? – [Slides 6-26](#)**
- **Step-by-Step guide 2: Working out your AFPS pension tax bill - [Slides 27-28](#)**
- What happens if I have a tax bill? – [Slide 29](#)
- **Step-by-Step guide 3: Registering for a Self-Assessment Tax Return – [Slide 30-31](#)**
- **Step-by-Step guide 4: Completing your online Self-Assessment Tax Return – [Slides 32-38](#)**
- **Step-by-Step guide 4a: Completing your paper Self-Assessment Tax Return – [Slides 39-44](#)**
- How to pay my tax bill – [Slide 45](#)
- Scheme Pays – [Slide 46](#)
- Sources of Information – [Slide 48](#)

**If at the end of the process you end up owing tax on your pension savings for Tax Year 2018/19, please be reassured that there is no such thing as 100% taxation and your pension continues to grow.**

# Why have I received an Annual Allowance (AA) Pensions Savings Statement for Tax Year 2018/19?

- You have received this letter because you have exceeded the HMRC governed tax-free savings (AA) standard limit of £40,000, or **both** your Threshold income is above £110,000 and Adjusted income is above £150,000 for Tax Year 2018/19, on your Armed Forces Pension Scheme (AFPS).
- Exceeding this limit means that you **MAY** be liable to pay an AA tax charge, however, it does not automatically mean that you will pay a tax charge; this depends on several different factors.
- Veterans UK are the administrators for all AFPS schemes and this notification letter refers **only** to your **AFPS benefits**.

# Your Letter

**Breach £40k  
Letter**

- The letter from Veterans UK will apply to those who have breached the AA limit of £40k **or** **BOTH** the threshold income exceeds £110k **AND** the adjusted income (threshold income plus PIA) exceeds £150k.
- All relevant information is contained within the letter.
- The letter, together with this guide, will assist you in working out whether you are liable for an AA tax charge and details the steps you need to take if you are presented with a pension tax bill.
- Please take time to read your letter, especially the **FAQs** at **Annex E**. These provide more information on AA and Self-Assessment Tax Returns.

RETAIN FOR YOUR RECORDS

Ministry of Defence

Veterans UK  
Armed Forces Pension Scheme  
Mail Point 494  
Kentigern House  
65 Brown Street  
Glasgow G2 8EX

Tel No: 0800 085 3600

Mr DJ Serviceman  
23 Address Street  
District  
Townshire  
ZZ9 9ZZ

Date: 06 October 2019

Our reference: AFP15130L/99999999

Dear Mr Serviceman

Annual Allowance (AA) Pension Savings Statement - Tax Year 2018-19

You have exceeded the standard tax-free pension savings limit of £40,000 for Tax Year 2018-19 based solely on the growth in your AFPS benefits.

This means that you may be liable to pay an annual allowance tax charge. It does not automatically mean that you will pay a tax charge, as this depends on several other factors.

Annex A gives details of your Pension Input Amount (PIA) calculation for Tax Year 2018-19.

**What you need to do now**

The contents of this letter and its enclosures should be read in conjunction with our Step by Step guide, available online at GOV.UK at the address below:  
<https://www.gov.uk/government/publications/step-by-step-guide-for-the-afps-annual-allowance-notification-letter-for-tax-year-2018-19>

It is your responsibility to determine if you are liable for an annual allowance tax charge by entering the relevant information about your pension savings and income from all relevant sources into the HMRC Annual Allowance Self-Assessment calculator at the address below:  
<https://www.tax.service.gov.uk/pension-annual-allowance-calculator>

Annex B gives information about your AFPS pension savings and income, which you will need when using the HMRC calculator.

AFP15130L(PSS)

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Ministry of Defence

Veterans UK  
Armed Forces Pension Scheme  
Mail Point 484  
Kentigern House  
65 Brown Street  
Glasgow G2 8EX

Tel No: 0800 085 3600

Mr JC Serviceman  
23 Address Street  
District  
Townshire  
ZZ9 9ZZ

Date: 06 October 2019

Our reference: AFP15130L - 99999999

Dear Col Serviceman

Annual Allowance (AA) Pension Savings Statement - Tax Year 2018-19

We are writing to inform you that your Service Income indicates that you are likely to be subject to a reduced Annual Allowance due to tapering.

Annex A gives details of your Pension Input Amount (PIA) calculation for Tax Year 2018-19.

**What you need to do now**

The contents of this letter and its enclosures should be read in conjunction with our Step by Step guide, available online at GOV.UK at the address below:  
<https://www.gov.uk/government/publications/step-by-step-guide-for-the-afps-annual-allowance-notification-letter-for-tax-year-2018-19>

It is your responsibility to determine if you are liable for an annual allowance tax charge by entering the relevant information about your pension savings and income from all relevant sources into the HMRC Annual Allowance Self-Assessment calculator at the address below:  
<https://www.tax.service.gov.uk/pension-annual-allowance-calculator>

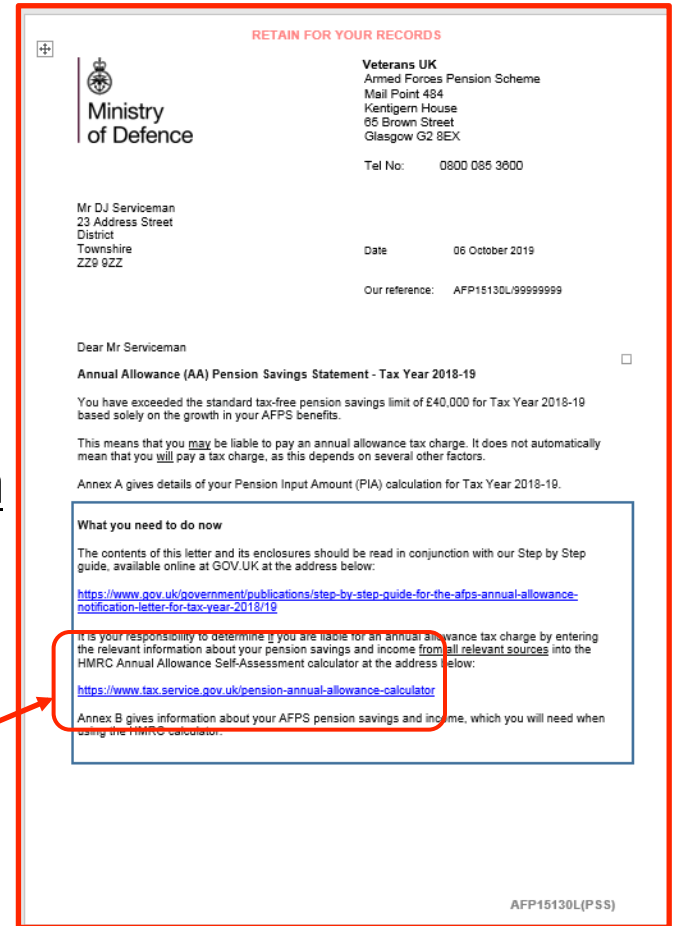
Annex B gives information about your AFPS pension savings and income, which you will need when using the HMRC calculator.

AFP15130L(PSS)

**Threshold  
income >  
£110k and  
Adjusted  
income >  
£150k**


# What do I need to do NOW?

- You now need to work out whether you are liable for an AA tax charge.
- Follow the **‘Step-by-Step guide 1: Are you liable for an AA tax charge at slides 6 to 26.**
- Enter the relevant information about your pension savings and income from all relevant sources into the HMRC Pension AA calculator at the link below:  
<https://www.tax.service.gov.uk/pension-annual-allowance-calculator>
- The example presented in this guide **only** refers to your AFPS pension and Armed Forces salary. If you have income from other sources this also needs to be taken into account.



# **Step-by-Step guide 1:**

**Are you liable for an  
AA tax charge?**

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## Check if you have an annual allowance tax charge on your pension savings

Use this service to check if you have to pay tax on your pension savings.

You cannot use this calculator if you are a member of a hybrid scheme.

You can use this calculator if you are a member of a:

- UK Registered pension scheme
- Qualifying overseas pension scheme

### Before you start

You need to know:

- what types of pension schemes you have or had
- how much has been saved in your pension schemes for the dates you want to check
- if and when you have flexibly accessed your pension savings
- if your [threshold income is more than £110,000](#)
- if your [adjusted income is more than £150,000](#)

[Start now >](#)

Go to:

[https://  
www.tax.service.gov.u  
k/pension-annual-  
allowance-calculator](https://www.tax.service.gov.uk/pension-annual-allowance-calculator)

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### Select the years you were of a registered pension sc

This includes qualifying overseas pension schemes

- 6 April 2019 to 5 April 2020
- 6 April 2018 to 5 April 2019
- 6 April 2017 to 5 April 2018
- 6 April 2016 to 5 April 2017
- 6 April 2015 to 5 April 2016
- 6 April 2014 to 5 April 2015
- 6 April 2013 to 5 April 2014
- 6 April 2012 to 5 April 2013
- 6 April 2011 to 5 April 2012
- 6 April 2010 to 5 April 2011

Continue

Refer to Annex B in your letter: 'Relevant information that you will need when using HMRC AA calculator'.

You must ensure that you ***select at least the most recently ended, and the four previous Tax Years simultaneously*** - see Slide 9

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Annex B

Relevant information for the HMRC AA calculator

The HMRC AA calculator can be accessed online at <https://www.tax.service.gov.uk/pension-annual-allowance-calculator>

The relevant information about your AFPS pension savings that you will need when using the HMRC AA calculator is as follows:

- When starting the HMRC AA calculator process you must ensure that you ***select at least the most recently ended, and the four previous Tax Years simultaneously*** when asked which years you were a member of a registered pension scheme. If you have previously been notified that you have exceeded your AA limit in years that fall before this period, you will also need to select those years. This ensures that your assessment will be completed in one single process. ***Do not select 2019-20*** because this is the currently open tax year and cannot be assessed until after it ends on 5 Apr 20. Examples are provided in the step-by-step guide available at <https://www.gov.uk/government/publications/step-by-step-guide-for-the-afps-annual-allowance-notification-letter-for-tax-year-2018/19>
- ***Type of scheme*** – after selecting the relevant tax years you will then be asked to confirm whether you have flexibly accessed any defined contributions schemes. This does not apply to the various AFPS schemes, which are all ***defined benefits schemes***, and which do not permit flexible access to pension savings. Therefore, you should answer ***no*** to this question. If you are a member of any other pension schemes which ***are defined contributions schemes***, you must answer ***yes*** to this question. You will then be asked to confirm the date on which you first flexibly accessed your pension savings. You can find this on a flexible access statement which your defined contributions provider is required to provide.



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- 6 April 2019 to 5 April 2020
- 6 April 2018 to 5 April 2019
- 6 April 2017 to 5 April 2018
- 6 April 2016 to 5 April 2017
- 6 April 2015 to 5 April 2016
- 6 April 2014 to 5 April 2015
- 6 April 2013 to 5 April 2014
- 6 April 2012 to 5 April 2013
- 6 April 2011 to 5 April 2012
- 6 April 2010 to 5 April 2011

Continue

When using the Government Annual Allowance Calculator you are required to tick TY 18/19 + the four previous years (TY 17/18, 16/17, 15/16 & 14/15). If any of your Pension Input Amounts (PIA) are above £40k you must tick 3 previous years from that TY (i.e. if your PIA for TY 16/17 is £50k you must select TY 15/16, 14/15 and 13/14). You must also select these earlier years if your PIA exceeded your individual, tapered AA for that TY. **This is extremely important as this may reduce your tax bill.**

The previous PIAs will be available on the AA notification letter. If you are unsure how to work out the PIA for previous tax years, please contact Veterans UK helpline for assistance – **0800 085 3600.**

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Relevant information for the HMRC AA calculator

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- **Type of scheme** – after selecting the relevant tax years you will then be asked to confirm whether you have flexibly accessed any defined contributions schemes. This does not apply to the various AFPS schemes, which are all **defined benefits schemes**, and which do not permit flexible access to pension savings. Therefore, you should answer **no** to this question. If you are a member of any other pension schemes which **are defined contributions schemes**, you must answer yes to this question. You will then be asked to confirm the date on which you first flexibly accessed your pension savings. You can find this on a flexible access statement which your defined contributions provider is required to provide.

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# Have you flexibly accessed your defined contribution pension savings?

This will usually be either a personal or stakeholder pension.

You can flexibly access these pension schemes, only if your scheme lets you. For example, this could be:

- when you take money out of your scheme
- if you convert pension savings that you had before April 2015 into a flexi access drawdown fund

Yes  No

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Relevant information for the HMRC AA calculator

The HMRC AA calculator can be accessed online at <https://www.tax.service.gov.uk/pension-annual-allowance-calculator>

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- Type of scheme – after selecting the relevant tax years you will then be asked to confirm whether you have flexibly accessed any defined contributions schemes. This does not apply to the various AFPS schemes, which are all defined benefits schemes, and which do not permit flexible access to pension savings. Therefore, you should answer no to this question. If you are a member of any other pension schemes which are defined contributions schemes, you must answer yes to this question. You will then be asked to confirm the date on which you first flexibly accessed your pension savings. You can find this on a flexible access statement which your defined contributions provider is required to provide.

Refer to **Annex B - Type of Scheme** in your letter

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# How much were your pension savings from 6 April 2013 to 5 April 2014?

Include all pension savings made during pension input periods ended between 6 April 2013 and 5 April 2014.

Enter an amount rounding down to the nearest pound, for example 62300

25

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### Relevant information about your AFPS pension savings

**Pension Savings** – Sections 227C to 227F and 229 to 237 Finance Act 2004 (legal requirement) and HMRC Pensions Tax Manual Section PTM053301 (calculation methodology) require that we calculate and express your pension savings as a Pension Input Amount (PIA) and the calculation methodology is set out in the HMRC Pensions Tax Manual Section PTM053301. We can only calculate your PIA for AFPS schemes.

Refer to the 'Pension Savings' section and table in Annex B to your letter.

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Tax Year	Standard AA Limit	AFPS PIA		
2013-14	£50,000	£25.00	Not applicable	Not applicable
2014-15	£40,000	£40,000.00	Not applicable	Not applicable
Between 6 Apr 15 and 8 July 15	£80,000	£7,369.32	Not applicable	Not applicable
Between 9 Jul 15 and 5 Apr 16	Maximum of £40,000 unused between 6 Apr 15 and 8 July 15	£20,247.00	Not applicable	Not applicable
2016-17	£40,000	£50,632.35	£88,393.42	£139,025.77
2017-18	£40,000	£49,000.00	£102,277.82	£151,277.81
2018-19	£40,000	£59,000.00	£112,795.08	£171,795.08

- In the table above, we have included previous years out with the normal three-year carryover period only where our records indicate that these may be required for the HMRC AA calculation process due to exceeding AA in a previous year. You will need to ensure that you select all relevant tax years at the start of the process, and then enter the relevant PIAs for those previous years.

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# How much were your pension savings from 6 April 2014 to 5 April 2015?

Include all pension savings made during pension input ended between 6 April 2014 and 5 April 2015.

Enter an amount rounding down to the nearest pound  
62300

40000

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Refer to the 'Pension Savings' section and table in **Annex B** to your letter.

RETAIN FOR YOUR RECORDS

Tax Year	Standard AA Limit	AFPS PIA	Threshold Income – Service pay	Adjusted Income – AFPS & Service pay
2013-14	£50,000	£25.00	Not applicable	Not applicable
2014-15	£40,000	£40,000.00	Not applicable	Not applicable
Between 6 Apr 15 and 8 July 15	£80,000	£7,369.32	Not applicable	Not applicable
Between 9 Jul 15 and 5 Apr 16	Maximum of £40,000 unused between 6 Apr 15 and 8 July 15	£20,247.00	Not applicable	Not applicable
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2018-19	£40,000	£59,000.00	£112,795.08	£171,795.08

- In the table above, we have included previous years out with the normal three-year carryover period only where our records indicate that these may be required for the HMRC AA calc process due to exceeding AA in a previous year. You will need to ensure that you select all relevant tax years at the start of the process, and then enter the relevant PIAs for those previous years.

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## Were you a member of a registered pension scheme between 6 April 2015 and 8 July 2015?

This includes qualifying overseas pension schemes

Yes  No

If you were a member of an AFPS select 'Yes'. This will be the case for the majority of Service personnel who have received an AA letter.

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# How much were your pension savings from 6 April 2015 to 8 July 2015?

Include all pension savings made during pension input periods ended between 6 April 2015 and 8 July 2015.

Enter an amount rounding down to the nearest pound, for example 62300

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Refer to the 'Pension Savings' section and table in Annex B to your letter.


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Tax Year	Standard AA Limit	AFPS PIA	Threshold Income – Service pay	Adjusted Income – AFPS & Service pay
2013-14	£50,000	£25.00	Not applicable	Not applicable
2014-15	£40,000	£40,000.00	Not applicable	Not applicable
Between 6 Apr 15 and 8 July 15	£80,000	£7,369.32	Not applicable	Not applicable
Between 9 Jul 15 and 5 Apr 16	Maximum of £40,000 unused between 6 Apr 15 and 8 July 15	£20,247.00	Not applicable	Not applicable
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2018-19	£40,000	£59,000.00	£112,796.08	£171,796.08

- In the table above, we have included previous years out with the normal three-year carryover period only where our records indicate that these may be required for the HMRC AA calculation due to exceeding AA in a previous year. You will need to ensure that you select all relevant tax years at the start of the process, and then enter the relevant PIAs for those previous years.

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## Were you a member of a registered pension scheme between 9 July 2015 and 5 April 2016?

This includes qualifying overseas pension schemes

Yes  No

If you were a member of an AFPS select 'Yes'. This will be the case for the majority of Service personnel who have received an AA letter.

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Refer to the table in **Annex B** to your letter.

# How much were your pension savings from 9 July 2015 to 5 April 2016?

Enter an amount rounding down to the nearest pound, f  
62300

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Tax Year	Standard AA Limit	AFPS PIA	Threshold Income – Service pay	Adjusted Income – AFPS & Service pay
2013-14	£50,000	£25.00	Not applicable	Not applicable
2014-15	£40,000	£40,000.00	Not applicable	Not applicable
Between 6 Apr 15 and 8 July 15	£80,000	£7,369.32	Not applicable	Not applicable
Between 9 Jul 15 and 5 Apr 16	Maximum of £40,000 unused between 6 Apr 15 and 8 July 15	£20,247.00	Not applicable	Not applicable
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[No thanks](#)

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Refer to the table in **Annex B** to your letter.

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# How much were your pension savings from 6 April 2016 to 5 April 2017?

Enter an amount rounding down to the nearest pound, for example 62300

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Tax Year	Standard AA Limit	AFP's PIA	Threshold Income - Service pay	Adjusted Income - AFP's & Service pay
2013-14	£50,000	£25.00	Not applicable	Not applicable
2014-15	£40,000	£40,000.00	Not applicable	Not applicable
Between 6 Apr 15 and 8 July 15	£80,000	£7,369.32	Not applicable	Not applicable
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2017-18	£40,000	£49,000.00	£102,277.82	£151,277.81
2018-19	£40,000	£59,000.00	£112,795.08	£171,795.08

- In the table above, we have included previous years out with the normal three-year carryover period only where our records indicate that these may be required for the HMRC AA calculation process due to exceeding AA in a previous year. You will need to ensure that you select all relevant tax years at the start of the process, and then enter the relevant PIAs for those previous years.

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[No thanks](#)

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**Threshold income** is all taxable income i.e. rental income, non-military employment.

Refer to the table in **Annex B** to your letter. In this example the answer is 'No'.

## Was your threshold income more than £110,000 from 6 April 2016 to 5 April 2017?

You can [work out your threshold income](#).

Yes
  No

Continue

Your AA statement from Veterans UK only shows your Service pay. If you receive other forms of taxable income this must be added to the Service pay income. If the total is over £110k select

'Yes'

RETAIN FOR YOUR RECORDS

Tax Year	Standard AA Limit	AFPS PIA	Threshold Income – Service pay	Adjusted Income – AFPS & Service pay
2013-14	£50,000	£25.00	Not applicable	Not applicable
2014-15	£40,000	£40,000.00	Not applicable	Not applicable
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- In the table above, we have included previous years out with the normal three-year carryover period only where our records indicate that these may be required for the HMRC AA calc process due to exceeding AA in a previous year. You will need to ensure that you select all relevant tax years at the start of the process, and then enter the relevant PIAs for those previous years.

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[No thanks](#)

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Refer to the table in **Annex B** to your letter.

## How much were your pension savings from 6 April 2017 to 5 April 2018?

Enter an amount rounding down to the nearest pound, i.e. 62300

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Tax Year	Standard AA Limit	AFPS PIA	Threshold Income – Service pay	Adjusted Income – AFPS & Service pay
2013-14	£50,000	£25.00	Not applicable	Not applicable
2014-15	£40,000	£40,000.00	Not applicable	Not applicable
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## Was your threshold income more than £110,000 from 6 April 2017 to 5 April 2018?

You can [work out your threshold income](#).

Yes  No

Continue

Threshold income is all taxable income i.e. rental income, non-military employment.

Refer to the table in **Annex B** to your letter. In this example the answer is 'No'.

Your AA statement from Veterans UK only shows your Service pay. If you receive other forms of taxable income this must be added to the Service pay income. If the total is over £110k select

'Yes'


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Tax Year	Standard AA Limit	AFPS PIA	Threshold Income - Service pay	Adjusted Income - AFPS & Service pay
2013-14	£50,000	£25.00	Not applicable	Not applicable
2014-15	£40,000	£40,000.00	Not applicable	Not applicable
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Refer to the table in **Annex B** to your letter.

# How much were your pension savings from 6 April 2018 to 5 April 2019?

Enter an amount rounding down to the nearest pound  
62300

59000

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Tax Year	Standard AA Limit	AFPS PIA	Threshold Income – Service pay	Adjusted Income – AFPS & Service pay
2013-14	£50,000	£25.00	Not applicable	Not applicable
2014-15	£40,000	£40,000.00	Not applicable	Not applicable
Between 6 Apr 15 and 8 July 15	£80,000	£7,369.32	Not applicable	Not applicable
Between 9 Jul 15 and 5 Apr 16	Maximum of £40,000 unused between 6 Apr 15 and 8 July 15	£20,247.00	Not applicable	Not applicable
2016-17	£40,000	£50,632.35	£88,393.42	£139,025.77
2017-18	£40,000	£49,000.00	£102,277.82	£151,277.81
2018-19	£40,000	£59,000.00	£112,795.08	£171,795.08

- In the table above, we have included previous years out with the normal three-year carryover period only where our records indicate that these may be required for the HMRC AA calc process due to exceeding AA in a previous year. You will need to ensure that you select all relevant tax years at the start of the process, and then enter the relevant PIAs for those previous years.

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[No thanks](#)

HM Revenue & Customs

[Back](#)

## Was your threshold income more than £110,000 from 6 April 2018 to 5 April 2019?

You can [work out your threshold income](#).

Yes
  No

Continue

**Threshold income** is all taxable income i.e. rental income, non-military employment.

Refer to the table in **Annex B** to your letter. In this example the answer is 'Yes'.

RETAIN FOR YOUR RECORDS

Tax Year	Standard AA Limit	AFPS PIA	Threshold Income – Service pay	Adjusted Income – AFPS & Service pay
2013-14	£50,000	£25.00	Not applicable	Not applicable
2014-15	£40,000	£40,000.00	Not applicable	Not applicable
Between 6 Apr 15 and 5 July 15	£80,000	£7,369.32	Not applicable	Not applicable
Between 9 Jul 15 and 5 Apr 16	Maximum of £40,000 unused between 6 Apr 15 and 8 July 15	£20,247.00	Not applicable	Not applicable
2016-17	£40,000	£50,632.35	£88,393.42	£139,025.77
2017-18	£40,000	£49,000.00	£102,277.82	£151,277.81
2018-19	£40,000	£59,000.00	£112,795.08	£171,795.08

- In the table above, we have included previous years out with the normal three-year carryover period only where our records indicate that these may be required for the HMRC AA calc process due to exceeding AA in a previous year. You will need to ensure that you select all relevant tax years at the start of the process, and then enter the relevant PIAs for those previous years.

Your AA statement from Veterans UK only shows your Service pay. If you receive other forms of taxable income this must be added to the Service pay income. If the total is over £110k select 'Yes'



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[No thanks](#)

HM Revenue & Customs

[Back](#)

Refer to the table in **Annex B** to your letter.

## What was your **adjusted income** from 6 April 2018 to 5 April 2019?

You can [work out your adjusted income](#).

171795

Continue

### RETAIN FOR YOUR RECORDS

Tax Year	Standard AA Limit	AFP's PIA	Threshold Income - Service pay	Adjusted Income - AFP's & Service pay
2013-14	£50,000	£25.00	Not applicable	Not applicable
2014-15	£40,000	£40,000.00	Not applicable	Not applicable
Between 6 Apr 15 and 8 July 15	£80,000	£7,369.32	Not applicable	Not applicable
Between 9 Jul 15 and 5 Apr 16	Maximum of £40,000 unused between 6 Apr 15 and 8 July 15	£20,247.00	Not applicable	Not applicable
2016-17	£40,000	£50,632.35	£88,393.42	£139,025.77
2017-18	£40,000	£49,000.00	£482,277.82	£151,277.81
2018-19	£40,000	£59,000.00	£112,795.08	£171,795.08

- In the table above, we have included previous years out with the normal three-year carryover period only where our records indicate that these may be required for the HMRC AA calc process due to exceeding AA in a previous year. You will need to ensure that you select all relevant tax years at the start of the process, and then enter the relevant PIAs for those previous years.

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No thanks

HM Revenue & Customs

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### Check your answers

Select the years you were a member of a registered pension scheme

2014	<a href="#">Change</a>
2015	
2016	
2017	
2018	
2019	

Have you flexibly accessed your defined contribution pension savings? No [Change](#)

#### 6 April 2013 to 5 April 2014

How much were your pension savings from 6 April 2013 to 5 April 2014? £25 [Change](#)

#### 6 April 2014 to 5 April 2015

How much were your pension savings from 6 April 2014 to 5 April 2015? £40,000 [Change](#)

Was your threshold income more than £110,000 from 6 April 2017 to 5 April 2018? No [Change](#)

#### 6 April 2018 to 5 April 2019

How much were your pension savings from 6 April 2018 to 5 April 2019? £59,000 [Change](#)

Was your threshold income more than £110,000 from 6 April 2018 to 5 April 2019? Yes [Change](#)

What was your adjusted income from 6 April 2018 to 5 April 2019? £171,795 [Change](#)

Calculate

Check your answers are correctly transposed from your notification letter.

Change the numbers if required.

Press 'Calculate' when correct.



Ignore this banner. This refers to the current tax year '2019/20' and not the '2018/19'

## Calculation results

~~In the tax year 6 April 2019 to 5 April 2020 you have no unused annual allowance and no tax to pay.~~

### How we worked out your results

This is based on your answers at the time of calculation.

Any unused allowances are carried forward for up to 3 previous years.

Year	Available annual allowance	Available money purchase annual allowance	Pension savings	Amount on which tax is due	Unused annual allowance
6 April 2019 to 5 April 2020	£0	£0	£0	£0	£0
6 April 2018 to 5 April 2019	£39,856	£0	£59,000	£19,144	£0
6 April 2017 to 5 April 2018	£59,753	£0	£49,000	£0	£10,753
6 April 2016 to 5 April 2017	£109,728	£0	£50,632	£0	£19,753
9 July 2015 to 5 April 2016	£89,975	£0	£20,247	£0	£69,728
6 April 2015 to 8 July 2015	£129,975	£0	£7,369	£0	£89,975
6 April 2014 to 5 April 2015	£89,975	£0	£40,000	£0	£49,975

## How we worked out your results

This is based on your answers at the time of calculation.

Any unused allowances are carried forward for up to 3 previous years.

Year	Available annual allowance	Available money purchase annual allowance	Pension savings	Amount on which tax is due	Unused annual allowance
6 April 2019 to 5 April 2020	£0	£0	£0	£0	£0
6 April 2018 to 5 April 2019	£39,856	£0	£59,000	£19,144	£0
6 April 2017 to 5 April 2018	£59,753	£0	£49,000	£0	£10,753
6 April 2016 to 5 April 2017	£109,728	£0	£50,632	£0	£19,753
9 July 2015 to 5 April 2016	£89,975	£0	£20,247	£0	£69,728
6 April 2015 to 8 July 2015	£129,975	£0	£7,369	£0	£89,975
6 April 2014 to 5 April 2015	£89,975	£0	£40,000	£0	£49,975
6 April 2013 to 5 April 2014	£50,000	£0	£25	£0	£49,975

In this example the ‘amount on which tax is due’ = **£19,144**.  
**Note.** This is **NOT** your tax bill.

Follow the ‘**Step-by-Step guide 2: Working out your AFPS pension tax bill**’ at **slides 27 to 28** to work out your tax bill.

**IF you end up with figure in “an amount which tax is due” column from TY 17/18, it is assumed that this was the ‘amount on which tax is due’ that you have processed.**

## How we worked out your results

This is based on your answers at the time of calculation.

Any unused allowances are carried forward for up to 3 previous years.

Year	Available annual allowance	Available money purchase annual allowance	Pension savings	Amount on which tax is due	Unused annual allowance
6 April 2019 to 5 April 2020	£0	£0	£0	£0	£0
6 April 2018 to 5 April 2019	£39,856	£0	£59,000	£0	£0
6 April 2017 to 5 April 2018	£59,753	£0	£49,000	£0	£10,753
6 April 2016 to 5 April 2017	£109,728	£0	£50,632	£0	£19,753
9 July 2015 to 5 April 2016	£89,975	£0	£20,247	£0	£69,728
6 April 2015 to 8 July 2015	£129,975	£0	£7,369	£0	£89,975
6 April 2014 to 5 April 2015	£89,975	£0	£40,000	£0	£49,975
6 April 2013 to 5 April 2014	£50,000	£0	£25	£0	£49,975

If the ‘amount on which tax is due’ = **£0** then no further action is required regarding your AFPS pension savings and income for Tax Year 2018/19.

***This does not include income from other sources.***

# **Step-by-Step guide 2:**

## **Working out your AFPS pension tax bill**

# Working out your AFPS pension tax bill

An excess of AA is treated by HMRC as a freestanding tax liability and is added to earnings when calculating the tax due. For individuals who exceed the AA, tax will be calculated at 40% on all earnings up to £150,000 and at 45% of earnings above £150,000 as detailed in the following examples.

An individual has an excess of AA of £19,144 after offsetting all available unused AA. He/she receives an Armed Forces salary of £112,795, with no earnings from other sources. Tax will be charged on the excess of AA as follows:

Salary	£112,795
Excess of AA	<b>£19,144</b>
Total	£131,939

As this amount is under £150,000 tax due = £19,144 @ 40% = **£7,657**

If the above individual was in receipt of an Armed Forces salary of £135,000 with no earnings from other sources, the tax payable would be as follows:

Salary	£135,000
Excess of AA	<b>£ 19,144</b>
Total	£154,144

Tax due:

£150,000 - £135,000 = £15,000 @ 40% = £ 6,000  
 £151,860 - £150,000 = £4,144 @ 45% = £ 1,874

Total **£ 7,864**

## we worked out your results

based on your answers at the time of calculation.

Unused allowances are carried forward for up to 3 previous years.

	Available annual allowance	Available money purchase annual allowance	Pension savings	Amount on which tax is due	Unused annual allowance
9 to 10	£0	£0	£0	£0	£0
8 to 9	£39,856	£0	£59,000	<b>£19,144</b>	£0
7 to 8	£59,753	£0	£49,000	£0	£10,753
6 to 7	£109,728	£0	£50,632	£0	£19,753
5 to 6	£89,975	£0	£20,247	£0	£69,728

**Point to note – You should also add any additional private income (tax paid) to these figures as appropriate**

# What happens if I have a tax bill?

- In the example given, your AA tax bill for Tax Year 2018/19 = **£7,657**.
- You now need to submit this information on your Self-Assessment Tax Return.
- Follow the ‘**Step-by-step guide 3: Registering for a Self-Assessment Tax Return**’ at [slides 30 to 31](#) to find out to register. If you have already registered, go to [slide 32](#).

## How we worked out your results

This is based on your answers at the time of calculation.

Any unused allowances are carried forward for up to 3 previous years.

Year	Available annual allowance	Available money purchase annual allowance	Pension savings	Amount on which tax is due	Unused annual allowance
6 April 2019 to 5 April 2020	£0	£0	£0	£0	£0
6 April 2018 to 5 April 2019	£39,856	£0	£59,000	£19,144	£0
6 April 2017 to 5 April 2018	£59,753	£0	£49,000	£0	£10,753
6 April 2016 to 5 April 2017	£109,728	£0	£50,632	£0	£19,753
9 July 2015 to 5 April 2016	£89,975	£0	£20,247	£0	£69,728
6 April 2015 to 8 July 2015	£129,975	£0	£7,369	£0	£89,975
6 April 2014 to 5 April 2015	£89,975	£0	£40,000	£0	£49,975
6 April 2013 to 5 April 2014	£50,000	£0	£25	£0	£49,975

An individual has an excess of AA of £19,144 after offsetting all available unused AA. He/she receives an Armed Forces salary of £112,795, with no earnings from other sources. Tax will be charged on the excess of AA as follows:

Salary	£112,795
Excess of AA	<b>£19,144</b>
Total	£131,939

As this amount is under £150,000 tax due = £19,144 @ 40% = **£7,657**

**Step-by-Step guide 3:**  
**Registering for a**  
**Self-Assessment Tax Return**

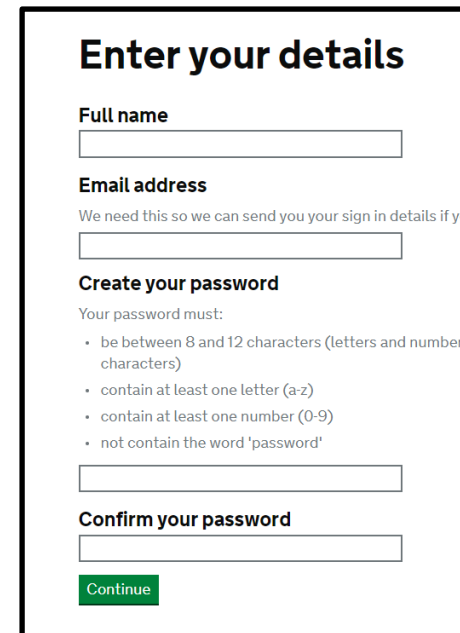
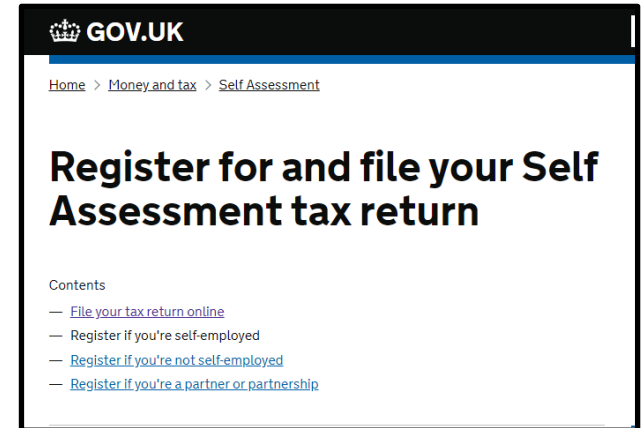
# Registering for a Self-Assessment Tax Return

To register for Self-Assessment online go to the link below:

<https://www.gov.uk/log-in-file-self-assessment-tax-return>

Once registered you will:

- receive a letter with your 10-digit Unique Taxpayer Reference (UTR)
- be enrolled for the Self-Assessment online service at the same time
- receive a letter within 10 working days (21 days if you are abroad) with an activation code. You will need this when you first log in to your online account. You can replace an activation code if you do not receive it or you lose it.

A screenshot of the "Enter your details" form. It contains the following fields and instructions:

- Full name**: A text input field.
- Email address**: A text input field with the instruction "We need this so we can send you your sign in details if you need them".
- Create your password**: A section with the instruction "Your password must:" followed by three bullet points:
  - be between 8 and 12 characters (letters and number characters)
  - contain at least one letter (a-z)
  - contain at least one number (0-9)
  - not contain the word 'password'A text input field follows.
- Confirm your password**: A text input field.
- Continue**: A green button.

# **Step-by-Step guide 4:**

## **Completing your online Self-Assessment Tax Return**



# Completing your online Self-Assessment Tax Return

**DO NOT confuse 'Annual Allowance Pension Savings Tax' with 'Pension Income'.**

If the HMRC calculator confirms you have a tax charge you should put the details in **Tailor your Return (page 2 of 3)** and select the '*Are you liable to pension savings tax charges or have you received payments from overseas pension schemes?*'

**DO NOT** put your Annual Allowance figures in main self-assessment tax return – this would indicate that you are in receipt of your pension now and if you do this HMRC will expect you to pay the tax charge immediately rather than by the other options available: i.e. Scheme Pays or adjusting your tax code for the following year.

The following examples are based on the online Self-Assessment Tax Return (**slides 34 to 38**).

# Tailor your Return

**File a return**

1. Welcome
2. Tell us about you
- 3. Tailor your return**
4. Fill in your return
5. Check your return
6. View your calculation
7. Save your return
8. Submit your return

## Tailor your return

Page 2 of 3

In the tax year 6 April 2017 to 5 April 2018:

Did you receive any **interest** etc, for example, from UK banks, UK building societies, UK unit trusts? [?](#)

Yes  No

Did you receive any **dividends**, for example, UK companies, authorised unit trusts, open-ended investment companies, foreign companies (up to £300)? [?](#)

Yes  No

Did you receive any **UK pensions, annuities or state benefits**, for example, state pension, occupational pension, retirement annuity, Incapacity Benefit? [?](#)

Yes  No

Were you or your partner (if you have one) entitled to receive **Child Benefit** during the year 2017-18 (this applies if someone else claims **Child Benefit** for a child who lives with you and pays you for your child's upkeep)? [?](#)

Yes  No

Did you receive any **other UK income**, for example, employment lump sums, share schemes, life insurance gains? [?](#)

Yes  No

Have you made any **income tax losses** in the year 2017-18? [?](#)

Yes  No

Are you liable to **pension savings tax charges** or have you received payments from overseas pension schemes? [?](#)

Yes  No

Under the ‘**Tailor your Return**’ section of your online self assessment tax return, ensure you select ‘**Yes**’ for: *‘Are you liable to pension savings tax charges or have you received payments from overseas pension schemes?’*

# Fill in your Return

GOV.UK Richard Sanders's tax return 2017-18 [Sign out](#)

**BETA** This is new guidance. Complete our quick survey to [help us improve it](#).

[Your HMRC Services](#) | [Self Assessment](#) English | [Cymraeg](#)

## File a return

- Welcome
- Tell us about you
- Tailor your return
- Fill in your return**
- Check your return
- View your calculation
- Save your return
- Submit your return

## Fill in your return

Pension saving tax charges etc

You have said that you are liable to pension saving tax charges and taxable lump sums from overseas pension schemes in the tax year 6 April 2017 to 5 April 2018. Please complete the following questions.

Value of pension benefits in excess of your Available Lifetime Allowance, taken by you as a lump sum: [?](#)

Value of pension benefits in excess of your Available Lifetime Allowance, not taken as a lump sum: [?](#)

Lifetime Allowance tax paid by your pension scheme: [?](#)

Amount saved towards your pension, in the period covered by this return, in excess of the Annual Allowance: [?](#)

Annual Allowance tax paid or payable by your pension scheme: [?](#)

Value of pension benefits transferred subject to the overseas transfer charge:

Tax paid by your pension scheme on your overseas transfer charge:

Pension scheme tax reference number: [?](#)

Amount of unauthorised payment from a pension scheme, not subject to Surcharge: [?](#)

Amount of unauthorised payment from a pension scheme, subject to Surcharge: [?](#)

Foreign tax paid on an unauthorised payment. Enter the amount in £ sterling: [?](#)

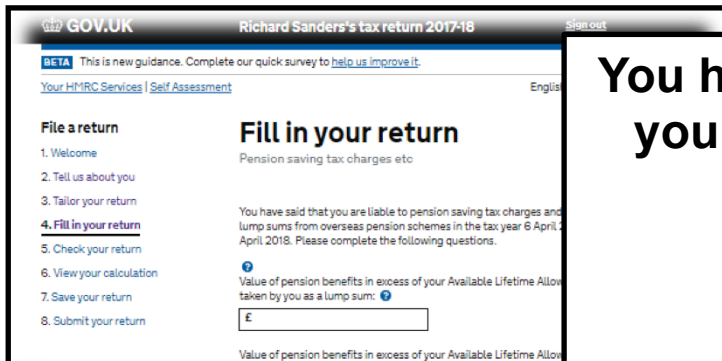
Taxable short service refund of contributions (overseas pension schemes only): [?](#)

Foreign tax paid on Taxable short service refund of contributions, Taxable lump sum payment and Taxable refunds of contributions. Enter the amount in £ sterling: [?](#)

[Delete pension saving tax charges and taxable lump sums from overseas pension schemes section](#)

[Save and continue](#)

Once you have tailored your return and included 'Are you liable to **pension savings tax charges**.....' You now need to fill in your return using the calculations you have established. Follow the guide in the next 3 slides.



**You have already established how much  
you have breached you AFPS Annual  
Allowance**

**= £19,144**

**Place this figure in this Box.**

**How we worked out your results**

This is based on your answers at the time of calculation.

Any unused allowances are carried forward for up to 3 previous years.

Year	Available annual allowance	Available money purchase annual allowance	Pension savings	Amount on which tax is due	Unused annual allowance
6 April 2019 to 5 April 2020	£0	£0	£0	£0	£0
6 April 2018 to 5 April 2019	£39,856	£0	£59,000	£19,144	£0
6 April 2017 to 5 April 2018	£59,753	£0	£49,000	£0	£10,753
6 April 2016 to 5 April 2017	£109,728	£0	£50,632	£0	£19,753
9 July 2015 to 5 April 2016					£69,728
					£89,975
					£49,975
					£49,975

Value of pension benefits in excess of your Available Lifetime Allowance, **not** taken as a lump sum:

Lifetime Allowance tax paid by your pension scheme:

Amount saved towards your pension, in the period covered by this return, in excess of the Annual Allowance:

Annual Allowance tax paid or payable by your pension scheme:

Value of pension benefits transferred subject to the overseas transfer charge:

Tax paid by your pension scheme on your overseas transfer charge:

Pension scheme tax reference number:

Amount of unauthorised payment from a pension scheme, **not** subject to Surcharge:

Amount of unauthorised payment from a pension scheme, subject to Surcharge:

**This example is based on your AFPS savings ONLY. If you have other sources of income, you should seek independent financial advice to assist in completing this tax return.**

GOV.UK Richard Sanders's tax return 2017-18

BETA This is new guidance. Complete our quick survey to help us improve it.

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File a return

- Welcome
- Tell us about you
- Tailor your return
- 4. Fill in your return**
- Check your return
- View your calculation
- Save your return
- Submit your return

Fill in your return

Pension saving tax charges etc

You have said that you are liable to pension saving tax charges and lump sums from overseas pension schemes in the tax year 6 April 2018. Please complete the following questions.

Value of pension benefits in excess of your Available Lifetime Allowance taken by you as a lump sum: £

Value of pension benefits in excess of your Available Lifetime Allowance taken as a lump sum: £

Lifetime Allowance tax paid by your pension scheme: £

You have already established how much AFPS AA Pension Savings tax you owe

**= £7,657**

Place this figure in this Box.

An individual has an excess of AA of £19,144 after offsetting all available unused AA. He/she receives an Armed Forces salary of £112,795, with no earnings from other sources. Tax will be charged on the excess of AA as follows:

Salary	£112,795
Excess of AA	<b>£19,144</b>
Total	£131,939

As this amount is under £150,000 tax due = £19,144 @ 40% = £7,657

Value of pension benefits in excess of your Available Lifetime Allowance, not taken as a lump sum: £

Lifetime Allowance tax paid by your pension scheme: £

Amount saved towards your pension, in the period covered by this return, in excess of the Annual Allowance: £ 19144

Annual Allowance tax paid or payable by your pension scheme: £ 7657

Value of pension benefits transferred subject to the overseas transfer charge: £

Tax paid by your pension scheme on your overseas transfer charge: £

Pension scheme tax reference number:

Amount of unauthorised payment from a pension scheme, not subject to Surcharge: £

Amount of unauthorised payment from a pension scheme, subject to Surcharge: £

This example is based on your AFPS savings **ONLY**. If you have other sources of income, you should seek independent financial advice to assist in completing this tax return.

GOV.UK Richard Sanders's tax return 2017-18 Sign out

BETA This is new guidance. Complete our quick survey to help us improve it.

Your HMRC Services | Self Assessment English | Cymraeg

**File a return**

- Welcome
- Tell us about you
- Tailor your return
- 4. Fill in your return**
- Check your return
- View your calculation
- Save your return
- Submit your return

**Fill in your return**  
Pension saving tax charges etc

You have said that you are liable to pension saving tax charges and taxable lump sums from overseas pension schemes in the tax year 6 April 2017 to 5 April 2018. Please complete the following questions.

Value of pension benefits in excess of your Available Lifetime Allowance, taken by you as a lump sum: £

Value of pension benefits in excess of your Available Lifetime Allowance, not taken as a lump sum: £

**You must enter the relevant Pension Scheme Tax Reference number for your AFPS.**

**The relevant code can be found in Annex E to your letter from Veterans UK.**

**In this example it is AFPS 15:**

**= 00817591RA**

**This is relevant to those who have accrued rights to a previous AFPS.**

**Place this number in this Box.**

**Q4 - What additional information do I need when completing Self-Assessment Tax Return?**

**A4 -** When completing your Self-Assessment Tax Return you must enter the taxable amount confirmed by the HMRC AA Calculator into Boxes 10 to 12 of Form SA101 (page Ai 4 of Additional Information pages).

You must also enter the relevant Pension Scheme Tax Reference Number for your AFPS scheme. These are as follows:

AFPS 15	00817591RA
AFPS 75	00330146RV
AFPS 05	00597994RX
RFPS 05	00718644RW

The scheme name abbreviation shown above is for your information only, and must not be included - you must only enter the relevant 10 character reference.

Lifetime Allowance tax paid by your pension scheme: £

Amount saved towards your pension, in the period covered by this return, in excess of the Annual Allowance: £ 19144

Annual Allowance tax paid or payable by your pension scheme: £ 7657

Value of pension benefits transferred subject to the overseas transfer charge: £

Tax paid by your pension scheme on your overseas transfer charge: £

Pension scheme tax reference number: 00817591RA

Amount of unauthorised payment from a pension scheme, not subject to Surcharge: £

Amount of unauthorised payment from a pension scheme, subject to Surcharge: £

**Now submit your tax return.**

**Step-by-Step guide 4a:**

**Completing your paper Self-Assessment Tax Return**

# Completing your Self-Assessment Tax Return

**DO NOT confuse ‘Annual Allowance Pension Savings Tax’ with ‘Pension Income’.**

If the HMRC calculator confirms you have a tax charge you should put the details in **boxes 10-12** on **page Ai4** of the “**Additional Information**” pages on the *Self-Assessment Tax Form – SA101*.

**DO NOT** put your Annual Allowance figures in main self-assessment tax return – this would indicate that you are in receipt of your pension now and if you do this HMRC will expect you to pay the tax charge immediately rather than by the other options available: i.e. Scheme Pays or adjusting your tax code for the following year.

The following examples are based on the paper Self-Assessment Form (**slides 41 to 44**).



# Additional Information

**HM Revenue & Customs**

**Additional information**  
Tax year 6 April 2018 to 5 April 2019 (2018-19)

Your name:

Your Unique Taxpayer Reference (UTR):

Complete these pages for less common types of income, deductions and tax reliefs, and for any other information. For help filling in this form, go to [www.gov.uk/taxreturnforms](http://www.gov.uk/taxreturnforms) and read the notes and help sheets.

**Other UK income**  
Interest from gilt-edged and other UK securities, deeply discounted securities and accrued income profits

1 Gilt etc interest after tax taken off: £  ·  00

2 Tax taken off: £  ·  00

3 Gross amount before tax: £  ·  00

**Gains from life insurance policies, capital redemption policies and life annuity contracts**

4 UK policy or contract gains on which tax was treated as paid - the amount of the gain: £  ·  00

5 Number of years the policy has been held or since the last gain:

6 UK policy or contract gains where no tax was treated as paid - the amount of the gain: £  ·  00

7 Number of years the policy has been held or since the last gain:

8 UK policy or contract gains from voided ISAs: £  ·  00

9 Number of years the policy was held:

10 Tax taken off gain shown in box 8: £  ·  00

11 Deficiency relief: £  ·  00

**Stock dividends, bonus issues of securities and redeemable shares**

12 Stock dividends - the amount received: £  ·  00

13 Bonus issues of securities and redeemable shares and close company loans written off or released: £  ·  00

**Business receipts taxed as income of an earlier year**

14 The amount of post-cessation or other business receipts: £  ·  00

15 Tax year income to be taxed, for example, 2017-18 YYYY YY:  -

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SA101 2019 Page A1 3

SA101 2019 Page A1 4

**Gifts, compensation and deductions, and patent royalty payments**

8 Exemptions for amounts entered in box 4: £  ·  00

9 Compensation and lump sums up to £30,000 exemption: £  ·  00

10 Disability and foreign service deduction: £  ·  00

11 Seafarers' Earnings Deduction - enter pay on your Employment page - read Helpsheet 205: £  ·  00

12 Foreign earnings not taxable in the UK: £  ·  00

13 Foreign tax for which tax credit relief not claimed: £  ·  00

14 Exempt employers' contributions to an overseas pension scheme - read the notes: £  ·  00

15 UK patent royalty payments made: £  ·  00

7 Maintenance payments (up to £3,360) - if you or your former spouse or civil partner were born before 6 April 1935: £  ·  00

8 Payments to a trade union for death benefits - half the amount paid (maximum £100): £  ·  00

9 Relief claimed on a qualifying distribution on the redemption of bonus shares or securities: £  ·  00

10 Subscriptions for shares under the Seed Enterprise Investment Scheme: £  ·  00

11 Social Investment Tax Relief - the amount on which relief is claimed: £  ·  00

12 Non-deductible loan interest from investments into property partnerships not included in box 5: £  ·  00

Use the notes and then complete the relevant box or civil partner with the higher income. If you complete box 1 and, where appropriate, boxes 2 and 3, you must also complete box 4.

If you are a partner with the lower income (marriages and civil partnerships) to help you fill in boxes 6 to 11, you must also complete box 12.

If you are a spouse or civil partner with the higher income, you must also complete box 13.

If you've already agreed that half of the minimum allowance is to be given to you, put 'X' in the box.

If you've already agreed that all of the minimum allowance is to be given to you, put 'X' in the box.

Your spouse or civil partner's full name:

If you were married or formed a civil partnership on or after 5 April 2018, enter the date of marriage or civil partnership: DD MM YYYY:

If you want to have your spouse's or civil partner's surplus allowance, put 'X' in the box.

If you want your spouse or civil partner to have your surplus allowance, put 'X' in the box.

Enter the amount of relief shown in box 3 which is not subject to the limit on Income Tax reliefs: £  ·  00

Enter the tax year for which you are claiming relief in box 3, for example, 2017-18 YYYY YY:  -

**Limit on Income Tax relief**

Amount of payroll giving: £  ·  00

12 Pension scheme tax reference number: PSTR

13 Amount of unauthorised payment from a pension scheme, not subject to surcharge: £  ·  00

14 Amount of unauthorised payment from a pension scheme, subject to surcharge: £  ·  00

15 Foreign tax paid on an unauthorised payment (in £ sterling): £  ·  00

16 Taxable short service refund of contributions (overseas pension schemes only): £  ·  00

Box 17 is not in use

18 Foreign tax paid (in £ sterling) on box 16: £  ·  00

20 The tax year in which the expected advantage arises, for example, 2017-18 YYYY YY:  -

21 Self-employed and partnership income where trading has ceased

22 Amount of disguised remuneration taxable as income in 2018-19: £  ·  00

23 Amount of disguised remuneration to be treated as income of an earlier year: £  ·  00

24 Tax year income in box 23 is to be taxed, for example 2017-18 YYYY YY:  -



# BOX 11

You have already established how much AFPS AA Pension Savings tax you owe

= £7,657

Place this figure in **Box 11**.

This example is based on your AFPS savings **ONLY**. If you have other sources of income, you should seek independent financial advice to assist in completing this tax return.

**Pension Savings Tax Charges**

7	Value of pension benefits in excess of your Available Lifetime Allowance, taken by you as a lump sum	£ 0 0 0 0 0 0 0 0 . 0 0	12	Pension scheme tax reference number	PSTR 0 0 0 0 0 0 0 0 0 0
8	Value of pension benefits in excess of your Available Lifetime Allowance, not taken as a lump sum	£ 0 0 0 0 0 0 0 0 . 0 0	13	Amount of unauthorised payment from a pension scheme, not subject to surcharge	£ 0 0 0 0 0 0 0 0 . 0 0
9	Lifetime Allowance tax paid by your pension scheme	£ 0 0 0 0 0 0 0 0 . 0 0	14	Amount of unauthorised payment from a pension scheme, subject to surcharge	£ 0 0 0 0 0 0 0 0 . 0 0
10	Amount saved towards your pension, in the period covered by this tax return, in excess of the Annual Allowance	£ 1 9 1 4 4 . 0 0	15	Foreign tax paid on an unauthorised payment (in £ sterling)	£ 0 0 0 0 0 0 0 0 . 0 0
11	Annual allowance tax paid or payable by your pension scheme	£ 7 6 5 7 . 0 0	16	Taxable short service refund of contributions (overseas pension schemes only)	£ 0 0 0 0 0 0 0 0 . 0 0 Box 17 is not in use
11.1	Value of pension benefits transferred subject to the overseas transfer charge	£ 0 0 0 0 0 0 0 0 . 0 0	18	Foreign tax paid (in £ sterling) on box 16	£ 0 0 0 0 0 0 0 0 . 0 0
11.2	Tax paid by your pension scheme on your overseas transfer charge	£ 0 0 0 0 0 0 0 0 . 0 0			

**Tax avoidance schemes**

19	Tax avoidance schemes		23	Amount of disguised remuneration to be treated as income of an earlier year	£ 0 0 0 0 0 0 0 0 . 0 0
21	Disguised remuneration		24	Tax year income in box 23 is to be taxed, for example 2017-18 YYYY YY	0 0 0 0 - 0 0

An individual has an excess of AA of £19,144 after offsetting all available unused AA. He/she receives an Armed Forces salary of £112,795, with no earnings from other sources. Tax will be charged on the excess of AA as follows:

Salary	£112,795
Excess of AA	<b>£19,144</b>
Total	£131,939

As this amount is under £150,000 tax due = £19,144 @ 40% = **£7,657**

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# How to pay my tax bill

Payment of your tax bill is a personal issue.

Read the supporting notes at **Annex C** to your letter.

The options available are:

- **Scheme Pays (if bill is less than 45% of the AFPS PIA for the relevant tax year) - Complete Annex D and send back to the AFPS administrators (see slide 46)**
- **Pay HMRC Direct.**
- **Adjust your tax code.**
- **Combination of the above.**

***Before you pay HMRC direct or adjust your tax code, please confirm your calculations with DBS.***

RETAIN FOR YOUR RECORDS

Annex C

Annual Allowance Information Sheet -  
Tax Charge payment options

Payment Option	Eligibility Criteria/Limits	Information
Scheme Pays	<p>Subject to maximum amount of £19,397.95 (45% of your AFPS PIA for the relevant tax year).</p> <p>You can estimate the cost of using Scheme Pays to pay your tax charge using the AFPS Scheme Pays calculator, which is available at the address below</p> <p><a href="http://www.mod-pc.co.uk/SchemePaysCalculator">http://www.mod-pc.co.uk/SchemePaysCalculator</a></p>	<p>- Under Scheme Pays, you can ask your pension scheme to pay all or part of your tax charge to HMRC upfront, in exchange for a corresponding reduction to your pension benefits. The amount you ask us to pay cannot exceed £19,397.95.</p> <p>- Your pension will be reduced for life as soon as it becomes payable.</p> <p>- Once you have decided to use Scheme Pays and the arrangement has been finalised it cannot be revoked under any circumstances.</p> <p>- There is no limit to the amount of times Scheme Pays can be chosen to meet tax charges. However, a new election for Scheme Pays is required every time you want to use it to mitigate a tax charge.</p> <p>- If you retire earlier or later than age 65 your scheme pays reduction will be actuarially revalued using factors appropriate to your age at date of retirement. If you retire earlier than age 65 your debit(s) will reduce. If you retire later than age 65 your debit(s) will increase.</p> <p>- Dependants' benefits are not affected by any Scheme Pays reductions.</p> <p>If you are in any doubt about how Scheme Pays will affect your pension you must seek independent financial advice - we will not be able to provide this for you.</p>
Pay HMRC direct		<p>- Arrangements to pay HMRC direct are your responsibility and we recommend you familiarise yourself with the payment schedules. This information can be found on the HMRC website <a href="https://www.gov.uk/pay-self-assessment-tax-bill">https://www.gov.uk/pay-self-assessment-tax-bill</a></p> <p>- This method of payment may result in HMRC requesting an additional payment called 'Payment on Account'. Further details are available from HMRC at <a href="https://www.gov.uk/understand-self-assessment-statement/payments-on-account">https://www.gov.uk/understand-self-assessment-statement/payments-on-account</a></p>
Adjustment to tax code	Tax charges less than £3,000	- A request for a tax code adjustment must be made directly to HMRC during the normal Self-Assessment Tax Return process and BEFORE 30 Dec 19.
Combination of the above	As above	- The tax charge can be split, and a combination of the above options can be used.

AFP15135L

# Scheme Pays

RETAIN FOR YOUR RECORDS

Annex D

Please complete and return this form to the address below no later than 29 February 2020

Armed Forces Pension Scheme  
Mail Point 484,  
Kentigern House  
65 Brown Street,  
GLASGOW G2 8EX

Annual Allowance Tax Charge - Tax Year 2018-19  
Scheme Pays - Register of Interest  
AFPS Member 99999999 Surg Cdr DJ Serviceman

I wish to register my interest in using Scheme Pays in respect of my Annual Allowance Tax Charge for Tax Year 2018-19.

I understand that:

- If I decide to finalise the Scheme Pays arrangement, the AFPS will pay the sum shown below to HMRC and my AFPS benefits will be reduced by the actuarially equivalent amount at the appropriate time.

£ 7,657

- The above amount requested cannot exceed £19,397.95 (45% of my AFPS PIA for the relevant tax year).
- This form only registers my interest in using Scheme Pays and is not a binding commitment to do so.
- I can withdraw my interest in using Scheme Pays at any time before it is finalised
- the Scheme Pays arrangement will not be finalised until I have signed and returned AFPS Form 17 - Scheme Pays Final Decision form.
- Once my final decision has been acknowledged the Scheme Pays arrangement will be irrevocably finalised and cannot be reversed under any circumstances.

Signature: ..... *M.Serviceman* Date: ..... *10 Dec 19*

Form AFP15136L

An individual has an excess of AA of £19,144 after offsetting all available unused AA. He/she receives an Armed Forces salary of £112,795, with no earnings from other sources. Tax will be charged on the excess of AA as follows:

Salary	£112,795
Excess of AA	<b>£19,144</b>
Total	£121,939

As this amount is under £150,000 tax due =  $\underline{£19,144} @ 40\% = \mathbf{£7,657}$

The amount of tax you owe that you wish to be paid via Scheme Pays

*This is your personal choice*

# Disclaimer

This document has been provided as a guide to assist you with the AA process.

If you are still in doubt regarding your Annual Allowance Pension Savings Tax, *especially if you have other sources of income*, you **should** seek independent financial advice.



# Sources of Information

- Veterans UK helpline - 0800 085 3600
- [2019DIN01-128](#) Pension Savings Taxation - Tax Year 2018-19
- Tax on your Private Pension Contributions –  
<https://www.gov.uk/tax-on-your-private-pension>
- Self-Assessment Tax Returns –  
<https://www.gov.uk/self-assessment-tax-returns>
- Paying your Self-Assessment Tax Bill –  
<https://www.gov.uk/pay-self-assessment-tax-bill>