

Tax Return Guidance (Completing form SA101 in relation to Scheme Pays elections)

February 2019

This information is based upon our current understanding, which may not be correct and may be subject to change/rescinding in the future.

HMRC guidance

HMRC have provided us with the following guidance on the correct way to complete the SA101 form.

You should make use of the Additional Information Box (21) on the SA101. We suggest that in Box 21 reference is made to the information given in the Annual Allowance Boxes (10-11) and a full explanation is then provided to explain that the tax charge will be split between different schemes. Where part of the tax charge on a particular scheme is then further split to reflect a Mandatory Scheme Pays and a Voluntary Scheme Pays (election), full details must be provided to evidence this and to confirm payment dates.

This will then make it clear to HMRC what the tax charge is, how it is split between Final Salary and Career Average schemes and when the charge is due to be paid.”

The SA101 form and further information

If you have accrued an Annual Allowance charge in both the Final Salary and Career Average sections of the Teachers' Pension Scheme, you must complete the form twice, once for each section (the sections are separate arrangements for HMRC purposes). This means that the boxes below will need to be completed in respect of each of the Final Salary and Career Average sections.

Box 10

You should enter the amount by which you have exceeded the allowance limit.

Note: If you have made a Scheme Pays election, boxes 11 and 12 must be completed.

Box 11

You should enter the tax charge amount that you have asked Teachers' Pensions to pay on your behalf.

Box 12

The Pension Scheme Tax Reference numbers for the Teachers' Pension Scheme are:

Final Salary arrangement: 00328821RM

Career Average arrangement: 00810719RB

Box 21

Here you should provide a full explanation of the tax charge arising in the appropriate arrangement, and if applicable, the amount that is being met through a Mandatory Scheme Pays election and the amount that is being met through a Voluntary Scheme Pays election. You should also include the relevant payment dates noted below.

We have included below a copy of the SA101 paper form to illustrate the required information (you are also able to provide this information online, if you complete an online tax return).

Tax Return Guidance (Scheme Pays elections)

- In respect of Voluntary Scheme Pays elections, if Teachers' Pensions is able to make the necessary payment to HMRC by 31 January following the tax year in which a charge arose, no interest, charges or penalties will be applied by HMRC. If any interest and/or penalties are applied, these will be the sole responsibility of the member and cannot be covered by the Teachers' Pension Scheme
- Voluntary Scheme pays elections due to be paid after 31 January do not have a set payment date as these are processed via a bulk payment to HMRC on a weekly basis.

Self-assessment forms already submitted

If, after reading this guidance, you think you may have already submitted an incorrect tax return or SA101 form, you have one year to make any amendments. For more information on amending your tax return, please visit HMRC's website: <https://www.gov.uk/self-assessment-tax-returns/corrections>.

Important information

The information provided in this communication is based on our current understanding following conversations with HMRC. Please be aware, however, that Teachers' Pensions are not tax experts and are not authorised to provide financial advice. Therefore, if you are unsure about how to complete your self-assessment tax return, you should seek financial advice from a suitably qualified advisor who will be able to provide you with any assistance you may require in this respect.

Please also be aware that the requirements of HMRC may change in future.

Where there is any difference between the legislation governing the Teachers' Pension Scheme and the information in this fact sheet the legislation will apply.