

Restoration

Frequently-Asked Questions (5)

Eligible members will be sent a letter setting out full details of their restoration payment in June 2022.

Most eligible members do not need to take any action and payments will be made automatically into bank accounts in October 2022.

But for some members there are additional considerations which they need to take into account, and they must check if they need to take any action before the payment is automatically made. The June letter contains the relevant details and where to find out more.

Section 5: Pensions Tax workbook

For answers to some of the other questions you may have, see the Restoration section of the website: www.bspspensions.com > Library > Restoration

Over the coming weeks we will be adding to this list so do check back regularly to see if there have been updates.

1. Do I need to complete the Pensions Tax workbook and, if so, will I need to return it?

If you do not have a form of Lifetime Allowance protection, and you think that you *may* have already used up all of your Lifetime Allowance, completing the workbook will help you confirm the position. If you then confirm that you have some available Lifetime Allowance, but the amount you have available is less than your lump-sum payment, you must return a completed Pensions Tax workbook **by 23 August 2022** if you would like to receive the payment as a lump sum.

If you have a form of Lifetime Allowance protection, see the relevant section of the FAQs.

2. What information do I need to complete the Pensions Tax workbook? (Updated 18 July 2022)

Pages 13-18 of the “Restoration: lump-sum payment or pension increase?” leaflet include examples of how to complete the workbook. And you’ll find guidance notes under the relevant sections of the Pensions Tax workbook.

If you do not already have a copy of the leaflet, you’ll find a copy on the Scheme website: www.bspspensions.com > Library > Restoration.

Important note:

If any of your pensions (including your British Steel Scheme pension but excluding the State Pension or dependant pensions) were being paid before 6 April 2006, you will need to complete section A1. This includes the tax year of your first BCE after 5 April 2006 and the associated standard LTA at the time. If you have a form of Lifetime Allowance protection, see section 4 of the FAQs: Pensions tax considerations for more information.

Your first BCE will typically be when you first started to take a pension (excluding the State Pension or dependant pensions) or lump sum after April 2006. A summary of BCEs is included on page 11 of the leaflet. If you have not had a BCE after 5 April 2006, you should include ‘2022/2023’ in A1(i) as the date of the restoration lump-sum payment and ‘£1,073,100’ in A1(ii) – the current standard LTA.

If you are not sure, please call the Pensions Office by 9 August 2022.

3. Do I need to include the State pension?

No, you don’t. The State pension doesn’t count towards the Lifetime Allowance.

4. I’m receiving a dependant’s pension following the death of my spouse/partner, do I need to include this pension?

No, you don’t. Dependant pensions don’t count towards the Lifetime Allowance.

5. What is a benefit crystallisation event?

Since April 2006, when members start to take their pension benefits or certain other events occur, this uses up some of their Lifetime Allowance. These events are known as ‘benefit crystallisation events’ or BCEs.

Each time you have a benefit crystallisation event, the administrator of the relevant pension scheme should tell you that it has occurred and how much of your Lifetime Allowance it has used up.

Page 11 of the “Restoration: lump-sum payment or pension increase?” leaflet includes a list of the different types of benefit crystallisation events. If you do not already have a copy of the leaflet, you’ll

find a copy on the Scheme website: www.bspspensions.com > Library > Restoration.

6. I took payment of pension benefits before 6 April 2006 (the date the Lifetime Allowance was introduced) does this count towards Lifetime Allowance?

Yes, these benefits will count against the Lifetime Allowance (although see questions 3 and 4 for pensions that do not need to be included) if you have a benefit crystallisation event after 6 April 2006.

How these benefits are valued will depend on whether you have taken payment of any other pension benefits since 6 April 2006 (excluding the State Pension and any dependant pensions). Please see page 13 of the “Restoration: lump-sum payment or pension increase?” leaflet for further details.

7. I need to complete the workbook, but I'm stuck. Can you help?

If you do not have a form of Lifetime Allowance protection, pages 11-18 of the "Restoration: lump-sum payment or pension increase?" leaflet include what you need to know and examples of how to complete the workbook. And you'll find guidance notes under the relevant sections of the Pensions Tax workbook. If you do not already have a copy of the leaflet, you'll find a copy on the Scheme website: www.bspspensions.com > Library > Restoration

If you have further questions, do not hesitate to call the helpline on 0330 440 0850 (or +44 141 274 2250 if you are phoning from outside the UK) **by 9 August 2022**.

If you have a form of Lifetime Allowance protection, see the relevant section of the FAQs.