

Pensions Tax workbook

For members with Individual Lifetime Allowance Protection 2014 or 2016

Completing this workbook will help you to identify the value of the pension benefits you have received from all pension schemes (not just the British Steel Pension Scheme). This will then help you to see how much of your Lifetime Allowance you have used up and therefore whether:

- You are able to receive a restoration payment as a lump sum and/or
- If receiving the payment as a lump sum is in your best financial interests.

Please read the Scheme's restoration letter sent to you in June 2022 and the leaflet 'Restoration: lump-sum payment or pension increase?' (the leaflet) before completing this workbook.

You only need to return the completed Pensions Tax workbook including section C, if you are eligible and want to receive the payment as a lump sum, and the amount of your remaining LTA (shown at B3) is *less* than your lump-sum payment.

If you have any questions about the workbook, please phone the Pensions Office by 9 August 2022.

- UK 0330 440 0850
- Non-UK +44 141 274 2250

Background

The Lifetime Allowance was introduced by the Government on 6 April 2006. It limits the total amount of pension savings you can build up with tax advantages over your lifetime across all schemes. When certain events occur in relation to your pension benefits (known as a 'benefit crystallisation event' (BCE)) you use some of your Lifetime Allowance.

I have Lifetime Allowance protection. Can I complete this workbook?

If you have Individual Protection 2014 or 2016, this workbook allows for your individual circumstances. If you have any other form of Lifetime Allowance protection, please do not complete this workbook.

All members with Lifetime Allowance protection should phone the Pensions Office to discuss their position (see above).

If you have had a form of Lifetime Allowance protection in place, that you subsequently lost, please also contact the Pensions Office rather than completing this workbook.

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A

The % of your Lifetime Allowance used

This section will help you consolidate details of your Benefit crystallisation events or BCEs (see page 11 of the leaflet for a summary) across all of the schemes from which you have taken benefits, and then work out if you have available Lifetime Allowance (LTA).

It is for guidance only and should not be considered as advice. See page 13 of the leaflet for examples of how to complete this section and explanations of the different numbers used.



If your British Steel Scheme pension came into payment before 6 April 2006 but you had a BCE in a tax year after 2005/06, you should contact the Pensions Office for the annual amount of your British Steel Scheme pension at the time of your first BCE if you don't have this available. Please do not use the estimated value shown in the restoration letter you received in June 2022.

A1. Pensions you took before 6 April 2006

If any of your pensions (including your British Steel Scheme pension but excluding the State Pension or dependants pensions) were being paid before 6 April 2006, please complete the boxes below.

i) Tax year of your first BCE ¹ after 5 April 2006							Y	Y	Y	Y	/	Y	Y
ii) LTA for the above tax year ²	£		,				,				.		
iii) Your total annual pension at the date of your first BCE, in relation to all of your pensions that started being paid before April 2006 (before tax)	£		,				,				.		
iv) Multiply the amount above in (iii) by £2,500	£		,				,				.		
Divide the amount in (iv) by the LTA amount in (ii) This is the total of your LTA used up for these benefits											.		%

A2. Benefits paid after 5 April 2006

If you have any pension benefits (including your Scheme pension but excluding the State pension or dependants pensions) and/or lump sums that started to be paid after 5 April 2006, the scheme administrator will have provided you with the percentage of the LTA that you have used up in these arrangements. Include the details below (please use additional paper if needed):

Your British Steel Scheme pension (where you started to receive this after 5 April 2006)													
The % of the LTA used up (to two decimal places) If relevant, see the restoration letter you received in June 2022 for this value.													
													%
Other pension arrangements													
Pension A: Complete pension arrangement name here													
The % of the LTA used up (to two decimal places)													
													%
Pension B: Complete pension arrangement name here													
The % of the LTA used up (to two decimal places)													
													%
Add up the percentages in the boxes under A2 above													
This is the total of your LTA used up for these benefits													
													%

1 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' here, as the date of the restoration lump-sum payment is the relevant date for this purpose.

2 See page 12 of the leaflet for the standard LTA values since April 2006. If you had LTA protection in place at the time for your first BCE, use the higher of your protected Lifetime Allowance and the standard LTA at the time.

A3. Transfers to overseas schemes

If you have transferred any pension benefits to a qualifying recognised overseas pension scheme, please complete the section below (please use additional paper if needed). Letters about any overseas transfers from the relevant scheme administrator will have told you the percentage of the LTA used by each transfer.

Transfer 1: % of the LTA used up (to two decimal places)				.			%
Transfer 2: % of the LTA used up (to two decimal places)				.			%
Transfer 3: % of the LTA used up (to two decimal places)				.			%
Add up the percentages in the boxes under A3 above This is the total of your LTA used up for overseas transfers				.			%

A4. Other events

There are other BCEs, including when you move any defined contribution funds to a 'flexi-access drawdown' arrangement and if a pension you are already receiving is increased at a rate higher than the legal maximum. In these circumstances the relevant pension scheme administrator would have provided you with the details of the percentage of your LTA used up at the time.

You may also be planning to take some pension or lump-sum benefits before the Scheme's restoration lump sum is paid (which for most members will be in October 2022). If so, that will be a BCE that uses LTA. If this is the case, the pension scheme administrator of that arrangement should be able to confirm the LTA that this will use, and you should also include this below.

Please complete the section below (please use additional paper if needed).

Event A: Complete details here The % of the LTA used up (to two decimal places)				.			%
Event B: Complete details here The % of the LTA used up (to two decimal places)				.			%
Add up the percentages in the boxes under A4 above This is the total used by other events				.			%

A5. Overall Total LTA used

Add up the total percentages in the total boxes in A1 to A4 This is the OVERALL total % of your LTA used up				.			%
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B

Your remaining Lifetime Allowance

This section will help you determine if you can receive a restoration payment as a lump sum and if the tax considerations in the leaflet apply to you.

It is for guidance only and should not be considered as advice. See page 13 onwards of the leaflet for examples of how to complete this section and explanations of the different numbers used.

To identify if you have available Lifetime Allowance

B1. Total LTA used up This is the same percentage as box A5.	.	%
B2. LTA you have remaining = 100% minus B1%	.	%

Is the amount at B2 nil (or negative)?



YES

You cannot receive a restoration lump-sum payment.

If you are automatically due to receive the lump sum, you **MUST** complete an Opt-out form to advise that you should receive a pension increase instead and send it to the Pensions Office by 23 August 2022 using the enclosed pre-paid reply envelope or return to the Freepost address included on the back page of the leaflet.

You do not need to complete the rest of this workbook.



NO

You have some remaining Lifetime Allowance.

Please move onto B3 on the next page.

To identify if the amount of your lump sum is less than your available Lifetime Allowance

B3. Take the number at B2 (ignore the % sign) divide by 100 and multiply by the amount of your Protected Lifetime Allowance.

The answer identifies your available Lifetime Allowance.

£		,			,			.	
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B4. Your restoration lump-sum amount

Enter the value from your restoration letter from June 2022 here.

£		,			,			.	
---	--	---	--	--	---	--	--	---	--

B5. Is B4 less than B3?



YES

The additional tax considerations on page 8 of the leaflet do not apply to you.

You do not need to return a copy of this workbook.

NO

The additional tax considerations on page 8 of the leaflet apply to you.

Please move to B6 below.

B6. Enter the value of B4 minus B3 here

This is the amount of your restoration lump-sum payment that is subject to an LTA tax charge.

£		,			,			.	
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Next steps

B6 is the amount of the restoration lump-sum payment that is subject to the LTA tax charge (i.e. the value at B6 times 55%). Then 25% of the amount in B3 is payable tax-free and the balance of B3 is subject to income tax at your marginal rate(s).

You need to consider whether or not receiving the payment as a lump sum is in your best financial interests. If you decide it is, you will need to complete documentation (see below) and provide it to the Pensions Office.

<p>If you are automatically due to receive the lump sum but you conclude that receiving a pension increase is in your best financial interests, you only need to complete an Opt-out form.</p>	<p>If you are automatically due to receive the pension increase, but you choose to receive the payment as a lump sum, please return an Opt-in form and only if you answered No to B5, this completed workbook.</p> <p>You will also need to provide a copy of your LTA protection certificate from HM Revenue & Customs.</p>	<p>If you are automatically due to receive the lump sum and still want to receive it, please return this completed workbook only if you answered No to B5.</p>
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Completed documentation

Please send any documentation to the Pensions Office in the enclosed pre-paid reply envelope or return to the Freepost address included on the back page of the leaflet by 23 August 2022.



Your Declaration

Reminder

You need only complete this section and return the full completed workbook if you are eligible and would like to receive a restoration lump-sum payment and you have:

1. Some available LTA (see B3 above) i.e. B2 is not nil or negative
2. Your available LTA amount is less than the amount of your restoration lump-sum payment i.e. you answered No to B5.

If these statements apply, please see page 19 of the 'Restoration: lump-sum payment or pension increase?' leaflet for a summary of what documentation you need to complete and return your documentation to the Pensions Office by 23 August 2022.

By signing and returning this form:

- I confirm to the best of my knowledge and belief, I have provided an accurate account of the values of all my pension arrangements in payment, excluding the State pension and any dependant pension benefits I receive, or will receive before the restoration lump-sum payment is made, in this workbook.
- I confirm that the information I have provided in this workbook is complete and accurate to the best of my knowledge and belief.
- I understand that the Trustee is relying upon information provided by me in this workbook and as such I agree to indemnify the Trustee against any liabilities or losses it may incur as a result of my having provided incomplete or misleading information (including any additional tax and/or sanction charges that may be levied against the Trustee).
- I understand if the information I have provided here is incomplete or inaccurate then I may experience adverse tax consequences.
- I understand that the amount in excess of my available LTA will be subject to an LTA tax charge at 55% and that the Pensions Office will automatically deduct this charge from my lump-sum payment and pay it to HMRC.
- I also understand that it is my responsibility to pay to HM Revenue & Customs any income tax for which I may be liable in connection with the payment made to me (to the extent the Trustee has not already accounted for such tax to HM Revenue & Customs).
- I accept that it is my responsibility to ensure this workbook is received by the Pensions Office by the above deadline. The Trustee cannot be held accountable if for any reason it arrives after this date.

Please now complete the details on the next page.

Your details

Please enter the amount of your available LTA (i.e. the value at B3)	£XX,XXX.XX	 25% of this amount is payable tax free and the balance (up to your available LTA) is subject to income tax at your marginal rate(s)
Please enter the amount by which your lump sum exceeds your available LTA (i.e. the amount at B6)	£XX,XXX.XX	 This amount is subject to an LTA tax charge of 55%.
Please enter the value of your expected LTA tax charge (i.e. the value at B6 times 55%) here.	£XX,XXX.XX	 The LTA tax charge will be deducted from your restoration lump-sum payment

Signature			Date	DD/MM/YYYY
Title		First name(s)		
Surname				
Date of birth	DD/MM/YYYY			
National Insurance number	AB123456C			
Telephone				
Email address				

Any questions?

If you have any questions about the workbook, please phone the Pensions Office by 9 August 2022.

- UK: **0330 440 0850**
 - Non-UK: **+44 141 274 2250**
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