



Scheme Pays Notes

- If the annual allowance charge is less than £2000: you must pay the charge yourself on your return as a Self Assessment Taxpayer
- If the annual allowance charge is more than £2000: you can either pay the charge yourself on your return as a Self Assessment Taxpayer, or, provided that the annual allowance charge liability to be met is more than £2000, you can make an election to use the 'scheme pays' facility.
- Scheme Pays is the method by which you can request that Tayside Pension Fund meet some or all of the charge on your behalf in return for a permanent reduction in your future pension benefits.
- If you wish to apply for this method then you must complete, sign and return the attached form no later than 31st July 2017 and a reminder will not be issued to you.
- The permanent reduction in your future benefits will be calculated taking the value of the charge, your age, your gender and how close to normal pension age you are. The reduction is based on guidance and method issued by the Government Actuary's Department (GAD) and the Scottish Ministers.
- The relevant date (or implementation date) is 05/04/2016 (the date the pension input period ended)
- Tayside Pension Fund cannot give you financial advice on the benefits or otherwise of an election of this type and as such you will need to consider this in relation to your own personal circumstances. In making this decision you may wish to consider seeking independent financial advice. If you do not have your own financial adviser you may wish to visit www.unbiased.co.uk which will allow you to search for an adviser in your area.

- If you wish apply for an estimate for scheme pays please issue an email to pensions@dundeecity.gov.uk with the subject being 'scheme pays estimate request' and tell us your name, address and National Insurance Number within the email. On receipt an estimate will be calculated and issued to you at your home address, including an application form. Please note once a valid election form has been processed by Tayside Pension Fund it cannot be revoked, but it may be amended.
- The deadline for making a scheme pays election is no later than 31st July 2017, however please be aware that if you are intending to retire or leave the scheme before this date the you must ensure that you have contacted us to inform us of the intended date of your retirement in order that this can be processed.
- Where you make an election to use the scheme pays option Tayside Pension Fund will become jointly responsible for the amount of tax that you have asked us to pay. However you must still inform HMRC of the annual allowance charge on your Self Assessment tax return and confirm to them that you have made a scheme pays election. Tayside Pension Fund will report and pay the annual allowance tax charge on the Accounting for Tax (AFT) return.
- On making your Self Assessment tax return you will be asked for the Pension Scheme Tax Reference Number (PSTR) of the scheme who is responsible for paying the annual allowance tax charge – the PSTR for Tayside Pension Fund is 00389065RS.

The above is based on an understanding of the current scheme pays rules and GAD Guidance and is for information only and does cover every personal circumstance and as such you may wish to consider independent financial advise.

(September 2016)