

FPS 2006 special member tax relief claims

As you will recall in [bulletin 10](#) we alerted Fire & Rescue Authorities that HMRC would shortly be writing out to request information about individuals that joined the 2006 scheme as a special member and the options they took.

We are aware that HMRC have now started to send out this communication and we have received some enquires seeking clarity on the information asked for. This note looks to provide some further information that may assist Fire & Rescue Authorities to complete the HMRC request.

While we were pleased that HMRC heeded our caution on asking for the information by 31 August given the ABS deadline, unfortunately the first batch of emails still included the date of 31 August. This was incorrect and has now been changed, however the date on the letter, 21 September, is correct which should provide a realistic deadline for completion.

We understand there is some concern about the complexity of the data being requested by HMRC. Our understanding is that HMRC are only asking for data that should have been recorded as a result of the exercise. If providing this data necessitates manual calculations or requires excessive resource then the information that is available should be provided to HMRC with a note explaining why further information cannot be provided at this time.

A copy of the [spreadsheet](#) and [letter](#) can be accessed here. (Member log-in may be required, email bluelight.pensions@local.gov.uk for credentials).

FAQS

- Question 1b (column D)
 - Although this question refers to 'periodical' contributions, our understanding is that FRAs should also supply the information where the contributions were paid by a lump sum. Likewise while it is not clear from the HMRC letter, this should include any contributions paid as a result of converting benefits, as well as the amount relating to interest, whether or not the member sought tax relief on the amount paid as interest.

- We understand that HMRC have requested the total contributions paid split by tax year to which they relate. To confirm, HMRC are aware that the calculator that was supplied to FRAs to calculate the total amount of contributions needed to join the scheme did not break the contributions down by tax year, nevertheless, we understand that some FRAs managed to produce their own calculators that broke the contributions down by tax year. Therefore the expectation is that only FRAs who did split the contributions down by tax year should supply this, other FRAs are requested to provide as much information as they can.

- Question 1c (column E) should be answered based on the status of the member at the point of election and making the contributions, although it would be helpful to confirm the change in status of the member if any changes have occurred since the original election was made.

- Question 1e (column G) Where the contributions were paid by periodical contributions, HMRC require these split by tax year in which the payment was made in order to determine how much tax relief may be due on a year by year basis. If a member paid by periodical contributions and then left and paid the remainder by lump sum please complete columns F and G.

- HMRC understand that in some cases the answer may be more complex than the yes/no answer reflected on the spreadsheet and therefore if there is any additional information or narrative which you would like to provide to HMRC please include this in a letter/email in addition to the information requested.

This factsheet has been prepared by LGA to help Authorities answer the questions asked by HMRC.

Please address any queries on the content of this factsheet to bluelight.pensions@local.gov.uk

Version 1 – Published August 2018