



## GUIDANCE FOR MEMBERS OF THE MMC UK PENSION FUND

# SCHEME PAYS

JANUARY 2023



# Introduction

Over the last few years, His Majesty's Revenue & Customs (HMRC) have introduced significant changes to the system of pension taxation. In certain circumstances members can require the Trustee of their pension scheme to make a tax payment, or *Tax Charge*, on their behalf. The Trustee will then reduce the member's benefits. This is known as *Scheme Pays*.

This leaflet provides a summary of how the Trustee of the MMC UK Pension Fund (the Fund) has decided to implement *Scheme Pays* for members of the Fund who meet certain criteria. The decisions made by the Trustee are based on its current understanding of the *Scheme Pays* regulations and will be kept under review.

Please note that terms in italics are defined in the Glossary to this communication.

## Background to Scheme Pays

Each year, the *Annual Allowance* is assessed against pension savings in the Pension Input Period that ends in that tax year. You will be liable to a *Tax Charge* at your marginal tax rate if the value of your pension savings in the *Pension Input Period* is more than the *Annual Allowance* for the tax year being assessed. You are allowed to offset any unused *Annual Allowance* you have carried forward from the three previous years against the value of your pension savings.

You will have to report any excess pension savings over the *Annual Allowance* (after utilising any unused allowance you carry forward) on your Self-Assessment Tax Return. The amount of the *Tax Charge* will be included in the tax calculation and you would normally have to pay the *Tax Charge* by the Self-Assessment payment deadline, usually 31 January following the end of the previous tax year.

However, if you meet certain criteria, you can require the Trustee of the Fund to pay your *Tax Charge* on your behalf. This is known as *Mandatory Scheme Pays*. In return, there will be an appropriate reduction in your pension benefits from the Fund.

Following the introduction of the *Tapered Annual Allowance* from 6 April 2016, some members with total adjusted income in excess of £150,000 will see their *Annual Allowance* reduce significantly below £40,000 so if your earnings are in excess of £210,000 in a tax year, your *Tapered Annual Allowance* will only be £10,000. This means that in the worst case, members could be faced with paying an unexpected *Annual Allowance* charge of up to £13,500 [ $45\% \times (\pounds 40,000 - \pounds 10,000)$ ] as *Mandatory Scheme Pays* is not available to you.

From April 2020, the government changed the *Tapered Annual Allowance* regulations so that from now on it starts to apply for members with total adjusted income in excess of £240,000. It is from this starting point that the standard *Annual Allowance* of £40,000 starts to decrease so that once a member's total adjusted income exceeds £300,000 then the *Tapered Annual Allowance* reduces to £10,000. In addition, the *Tapered Annual Allowance* further reduces for members with total adjusted income in excess of £300,000 whereby once a member's earnings exceed £312,000 in a tax year, a member can only pay a total of £4,000 in annual pension contributions before a tax charge is due.

In response to this, the Trustee has decided to help members manage their tax position and offer *Voluntary Scheme Pays*. It is important to note that the rules surrounding the operation of both *Mandatory* and *Voluntary Scheme Pays* are by and large the same but there are some differences as explained below.

## Background to Scheme Pays *continued*

The main difference is that the current standard £40,000 threshold is replaced with the member's *Tapered Annual Allowance* under Voluntary Scheme Pays, with the criteria being as follows:

- The member's total pension savings in the Fund is more than the member's *Tapered Annual Allowance* and
- The member has a tax charge for the tax year in excess of £2,000.

In addition, there are some differences in terms of timing of when members have to settle *Voluntary Scheme Pays* which will be detailed later on in this leaflet. Finally, in all cases where *Voluntary Scheme Pays* is used, members must have sufficient DC funds available in the Fund to cover the charge.

If you believe that the value of your pension savings in the Fund in a *Pension Input Period* will exceed the *Annual Allowance* or *Tapered Annual Allowance* as set out above and you wish to investigate the possibility of using *Scheme Pays*, it is important that you take regulated financial advice to ensure that it is appropriate for your circumstances.

If you need help finding a regulated financial adviser, you can visit the Financial Conduct Authority website: [www.fca.org.uk/consumers/finding-adviser](http://www.fca.org.uk/consumers/finding-adviser). The adviser will inform you of any charges that apply in return for their advice. Please note that neither your employer, the Trustee or the Fund Administrators can give you financial advice.

## Important Deadlines for Scheme Pays

The deadlines for *Voluntary Scheme Pays* and *Mandatory Scheme Pays* are different so you need to be careful and ensure you send your form back to the Fund Administrators within the published deadlines. It is not possible to extend the deadlines and forms will not be processed if received after the due date. For example, for the 2021/22 tax year, the *Voluntary Scheme Pays* deadline for forms is 30 November 2022 (and for subsequent tax years it will be the same date plus one year). The *Mandatory Scheme Pays* deadline for 2021/22 tax year is later on 31 July 2023 (and for subsequent tax years it will be the same date plus one year) so eight months later.

# Your Questions Answered

## How do I establish the value of my pension savings?

You can find out the information you need to calculate your *Pension Input Amount* in respect of your pension savings in the Fund on the Allowances page on Mercer OneView at <https://www.merceroneview.co.uk/MMCPENSIONS/Allowance>. (For Active members, there is also a Single Sign On link available via My Quick Links on Colleague Connect.) This applies whether you were previously a member of one of the Fund's Defined Benefit (DB) sections or in one of the Defined Contribution (DC) sections. This will help members who complete Self-Assessment Tax Returns to provide the relevant information to HMRC. Please note that your *Pension Input Amount* information does not take account of any pension savings you may have outside of the Fund. The Allowances page is normally updated by the Fund administrators by the end of October each year.

Pension savings each year are calculated as follows:

- Any Defined Contributions (DC) paid during the *Pension Input Period* including company and member contributions, additional member contributions, additional cash, bonus sacrifice or personal pension contributions.

### Plus

- Any Defined Benefit (DB) pension earned at the end of the *Pension Input Period* less pension earned at the end of the previous *Pension Input Period* adjusted for inflation. This figure is then multiplied by 16.

In addition, the Trustee must issue members who exceed the *Annual Allowance* with a pension savings statement within 6 months of the end of the tax year i.e. by 5 October of each year. Statements are only required to be issued to members with pension savings in excess of the standard *Annual Allowance*.

Pension savings cover any pension benefits you may have in all tax-registered pension arrangements where you have been an active member during the tax year. In some cases, if you have deferred benefits in a previous registered pension arrangement, the increase in these benefits may also count towards your pension savings. You should contact the administrator of your previous arrangement if you have any queries in respect of these benefits.

You should be aware that if you were previously a member of one of the Fund's Defined Benefit (DB) sections which closed to future accrual on 31 July 2014, then any benefits that you earned in the DB section that are currently linked to your final salary or career revalued earnings will, by default, maintain that link while you are an active member of the Fund. Therefore you should note that any increase in these pension benefits will continue to count towards your pension savings.

If you are unable to establish the value of your benefits, you should discuss your pension savings with a regulated financial adviser.

## When can I require the Fund to pay the *Tax Charge*?

When your pension savings in a *Pension Input Period* are more than the standard *Annual Allowance* or *Tapered Annual Allowance*, you should first check if you have any unused *Annual Allowance* to carry forward from one or more of the three previous tax years.

If you believe you have any unused *Annual Allowance* or *Tapered Annual Allowance* you should discuss this with a regulated financial adviser who will be able to help you estimate the value. It should be noted that the Trustee will not be able to verify a member's *Annual Allowance* or *Tapered Annual Allowance* given that it potentially depends on any taxable earnings received



## Your Questions Answered *continued*

outside of employment and on any pension savings made outside of the Fund. It is anticipated that the member would calculate this themselves when determining the *Annual Allowance* charge on completing their Self-Assessment Tax Return. If you are liable to pay the *Tax Charge* you can require the Trustee to pay your *Tax Charge* in respect of benefits earned within the Fund **provided that:**

- the total value of your pension savings in the Fund for the *Pension Input Period* has exceeded the standard *Annual Allowance* or *Tapered Annual Allowance*; and
- the *Tax Charge* for the tax year has exceeded £2,000.

If you meet these conditions and request the Trustee to do so, the Trustee will pay the *Tax Charge* that arises in respect of your benefits earned within the Fund.

Please note that the Trustee will process your request to exercise either *Mandatory* or *Voluntary Scheme Pays* on receipt of a completed and signed application form, that can be found at the end of this booklet.

### **How will my benefits be reduced if I use *Mandatory Scheme Pays*?**

The Trustee has agreed the following methods to reduce benefits for members who opt to use *Mandatory Scheme Pays* i.e. members have total pension savings in the Fund more than the standard *Annual Allowance* of £40,000 and have a *Tax Charge* in excess of £2,000:

- If you have DC funds in the Fund, they will be reduced immediately by the amount of the *Tax Charge* on receipt of a valid application and the disinvested amount will be held in unallocated units in the cash fund until payment of the charge.
- If your DC funds are invested in more than one investment fund, the reduction will be made from each fund in proportion to the percentage of assets in each fund.
- You will be notified in writing that the *Mandatory Scheme Pays* amount has been deducted from your DC funds.
- The actual *Tax Charge* will be settled by the Fund in the next quarterly tax return following receipt of your application form.
- You will also be notified in writing to confirm that the *Tax Charge* has been paid to HMRC.

It is anticipated that in the majority of cases *Mandatory Scheme Pays* will be paid using your DC funds. However, in any year where the DC fund available is not sufficient to meet the *Tax Charge* and you have previously accrued benefits in one of the DB sections of the Fund then the *Tax Charge* in excess of your DC funds will be reflected in a *Notional DC Debit*.

- Your *Notional DC Debit* will be increased until the date you take your benefits from the Fund. This reflects the addition of interest on the payment of the *Tax Charge* by the Trustee from the date it is paid.
- The Trustee has agreed to set the annual rate of increase in line with the gross redemption yield on government bonds (*Gilts*) plus 1.5%.
- On retirement from the Fund, your accumulated *Notional DC Debit* will be converted into a pension amount using the Fund's *Cash Commutation Factors* prevailing at the point of your retirement. This pension amount will then be deducted from your Fund pension.

An example of how the *Notional DC Debit* method works is set out in the Appendix.

Please see the deadline section below for details of when an application for *Mandatory Scheme Pays* must be submitted.

## Your Questions Answered *continued*

### How will my benefits be reduced if I use *Voluntary Scheme Pays*?

The Trustee has agreed the following method to reduce benefits for members who opt to use *Voluntary Scheme Pays* i.e. members have total pension savings in the Fund more than the *Tapered Annual Allowance* and have a *Tax Charge* in excess of £2,000:

- You must have DC funds in the Fund and they will be reduced immediately by the amount of the *Tax Charge* on receipt of a valid application and the disinvested amount will be held in unallocated units in the cash fund until payment of the charge.
- If your DC funds are invested in more than one investment fund, the reduction will be made from each fund in proportion to the percentage of assets in each fund.
- You will be notified in writing that the *Voluntary Scheme Pays* amount has been deducted from your DC funds.
- The actual *Tax Charge* will be settled by the Fund in the next quarterly tax return following receipt of your application form.
- You will also be notified in writing to confirm that the *Tax Charge* has been paid to HMRC.
- It is not possible to settle the *Tax Charge* using the notional DC Debit method from previously accrued service in a DB section of the Fund.

For members using *Voluntary Scheme Pays* the deadlines for payment of the *Tax Charge* tie in with the Self-Assessment Tax Return deadlines and so the *Scheme Pays* process must be completed by the 31 January each year so as to avoid any interest charges for late payment, see application deadline section below.

### Will the Trustee consider an alternative method of reducing my Fund benefits in respect of the *Tax Charge*?

No. The Trustee is required to offer *Mandatory Scheme Pays* for members who meet certain criteria and has decided to implement *Voluntary Scheme Pays* for members impacted by the *Tapered Annual Allowance*. The Trustee has agreed the methods set out above and they meet the requirements under the *Scheme Pays* legislation.

Please note that you could pay all of your tax direct to HMRC and not ask the Trustee to pay it.

### How much tax can I ask the Trustee to pay?

The maximum amount you can require the Trustee to pay is based on the value of your pension savings in the Fund and the extent to which it exceeds the standard *Annual Allowance* or the *Tapered Annual Allowance*. When you have more than one pension arrangement, the Trustee will only pay the *Tax Charge* in respect of your Fund benefits.

You do not have to ask the Trustee to pay the full amount of your *Tax Charge*. You can ask the Trustee to pay part of the amount, providing it is in respect of your Fund benefits, and you would then pay the difference direct to HMRC.

### How will *Scheme Pays* affect my *Lifetime Allowance*?

The test of the value of your pension savings against the Lifetime Allowance will use the value of your pension savings after the reduction for *Scheme Pays*.

# Your Questions Answered *continued*

## **Should I use *Scheme Pays*?**

If you have a *Tax Charge* for a particular tax year and you meet the conditions that give you the right to require the Trustee to pay it, you should take regulated financial advice before asking the Trustee to do so.

If you want the Trustee to pay the *Tax Charge* on your behalf you will receive lower benefits than you may have planned for as your pension savings in the Fund will be reduced to take account of the tax paid. We recommend that you contact your regulated financial adviser as early as possible so that you have plenty of time to consider what this would mean for your future pension savings.

## **If I use *Scheme Pays* one year and have a *Tax Charge* in a future year, do I have to use *Scheme Pays* again?**

No. You can make a separate decision regarding *Scheme Pays* in each year that you have a *Tax Charge*.

## **How do I tell the Trustee that I want the Fund to pay my *Annual Allowance* charge in return for a reduction in my pension benefits?**

Please complete and return the application form at the end of this leaflet to the Fund Administrator for details of the notification process to make an election for *Scheme Pays*.

The contact details are as follows:

MMC UK Pensions Arrangements  
Maclaren House  
Talbot Road  
Stretford  
Manchester  
M32 0FP

Telephone: 0330 100 3597

Email: <https://contact.mercer.com>

## **What is the application deadline for using *Mandatory Scheme Pays*?**

If you want the Trustee to pay your *Tax Charge* for a particular tax year then you must notify the Fund administrator no later than 31 July following the relevant Self-Assessment filing deadline. For example, for the tax year 2021/22, you can apply for *Scheme Pays* until 31 July 2023. The Fund administrator will acknowledge receipt of your notification.

In the year that you take your benefits from the Fund, if you wish to use *Scheme Pays*, you must apply prior to your benefits being put into payment.

When you make an election requiring the Fund to pay your *Tax Charge* using *Mandatory Scheme Pays* the Trustee will become jointly responsible with you for the amount of tax that you have asked the Fund to pay. The Trustee will pay to HMRC the tax you have asked the Fund to pay but you will have to report the amount of tax the Trustee will be paying from the Fund in your Self-Assessment tax return.

## Your Questions Answered *continued*

### **What is the application deadline for using *Voluntary Scheme Pays*?**

If you want to use *Voluntary Scheme Pays* the process and timings are different. The deadlines tie in with the Self-Assessment Tax Return deadlines which means the scheme pays process has to be completed by 31 January each year otherwise HMRC will impose a late interest charge. This means for the 2021/22 tax year for example, *Voluntary Scheme Pays* needs to be completed by 31 January 2023.

To ensure that applications can be processed in time, the forms need to be with the Fund administrators by the 30 November of the preceding year so in the example above this is by 30 November 2022. It is therefore essential that members applying for *Voluntary Scheme Pays* have gathered all necessary information by this deadline which for some will mean completing their tax return in advance to determine their *Tapered Annual Allowance*.

Members should also note that with *Voluntary Scheme Pays*, the sole responsibility for the tax is the member's and there is no joint and several liability with the Trustee, as is the case in *Mandatory Scheme Pays*.

### **Where can I find more information about *Scheme Pays*?**

You can find guidance published by HMRC by using the following link:  
[www.gov.uk/tax-on-your-private-pension/annual-allowance](https://www.gov.uk/tax-on-your-private-pension/annual-allowance)

## Important Notes

The information provided in this leaflet is intended to provide assistance with any decisions you may have to make with regard to *Scheme Pays*. If you wish to apply for *Scheme Pays*, we recommend that you obtain regulated financial advice before doing so. If you need help finding a regulated financial adviser, you can visit the Financial Conduct Authority website: [www.fca.org.uk/consumers/finding-adviser](https://www.fca.org.uk/consumers/finding-adviser). The adviser will inform you of any charges that apply in return for their advice.

The information provided in this leaflet does not constitute personal advice. It will be your decision and responsibility to take the action appropriate to your circumstances. When making your decision, you should also consider that there is a possibility that the taxation legislation may change in future years. There may be external factors which are relevant to your future plans and these will influence your decision making. It is your responsibility to take these elements into account when making your decisions.

The information provided in this leaflet does not modify the Fund or alter in any way the benefits to which you are entitled to under these arrangements. In the event of this information conflicting in any way with the Trust Deed and Rules, then the Trust Deed and Rules will prevail.



# Glossary of Terms

**Annual Allowance:** This is the amount by which the value of your pension savings may increase in any one tax year without you having to pay a tax charge. The standard *Annual Allowance* has been £40,000 since 2014/15. In April 2016, there were further changes to the *Annual Allowance* as set out in *Tapered Annual Allowance* below.

**Cash Commutation Factors:** At retirement it is common for members to be offered the choice of taking their pension in full or, as an alternative, an immediate cash lump sum and a lower residual pension. Commutation factors are used to determine the amount of pension which is given up to provide the lump sum. The factors are age related and kept under regular review by the Trustee.

**Gilts:** Bonds issued by the UK Government. The reference gilt used by the Trustee will be the FTSE UK Gilts 20 year index, using the annualised gross redemption yield at 30 September in the previous calendar year. This will be kept under review by the Trustee.

**Inflation:** The inflation figure used in the calculation of the *Pension Input Amount* is the increase in the Consumer Prices Index (CPI) over the 12 months to September each year.

**Lifetime Allowance:** This is the capital value of all your pension arrangements, but not your State pension, which you can build up without paying extra tax. It is £1.073m from the tax year 2021/22.

**Mandatory Scheme Pays:** This is the mechanism whereby a member can ask the Trustee of their pension arrangement to pay the *Tax Charge* on their behalf as they have exceeded the standard *Annual Allowance* which is currently £40,000. The Trustee will then reduce the benefits to which a member is entitled.

**Notional DC Debit:** This is the amount to which the *Cash Commutation Factors* will be applied to establish how much your DB benefits from the Fund will be reduced if you choose to use *Scheme Pays*.

**Pension Input Amount:** For DB pension schemes, the *Pension Input Amount* is the value of benefits earned over the *Pension Input Period*. For DC pension schemes, it is the total amount of your and your employer's pension contributions made over the *Pension Input Period*.

**Pension Input Period:** Each year, the *Annual Allowance* is assessed against pension savings in the *Pension Input Period*. From the 2015/16 tax year the *Pension Input Period* is the tax year i.e. 6 April to 5 April each year.

**Scheme Pays:** This is the generic term for both *Mandatory* and *Voluntary Scheme Pays* and is the mechanism whereby a member can request the Trustee of their pension scheme to pay the *Tax Charge* on their behalf, and the Trustee will then reduce the benefits to which the member is entitled.

**Tapered Annual Allowance:** This came into force from 6 April 2016 and is where members with total adjusted income in excess of £150,000 will see their *Annual Allowance* reduce significantly below £40,000 on a sliding scale so when earnings are in excess of £210,000 then the minimum *Tapered Annual Allowance* will apply of £10,000. In April 2020 the limits changed so the *Tapered Annual Allowance* now applies if total adjusted income is £240,000 or over. This means that if your total adjusted income is over £300,000 it reduces to a *Tapered Annual Allowance* of £10,000 and down to £4,000 if your total adjusted income is over £312,000.

**Tax Charge:** Each tax year, your pension savings in the *Pension Input Period* ending in that tax year are assessed against the *Annual Allowance*. You will be liable to a *Tax Charge* at your marginal tax rate if the value of these pension savings is more than the *Annual Allowance* for the tax year being assessed. If you are filing your tax return online, the amount of the *Tax Charge* will be automatically calculated.

**Voluntary Scheme Pays:** This applies where a member's total pension savings in the Fund is more than the member's *Tapered Annual Allowance* and the *Tax Charge* for the year is in excess of £2,000. The Trustee will allow members in this situation to reduce their benefits to cover the *Tax Charge*.

## Appendix - Notional DC Debit

### EXAMPLE MEMBER – ALL FIGURES USED ARE FOR ILLUSTRATION ONLY

- Age 56 years. Date of birth 1 January 1959.
- Marginal rate of tax = 45%
- Pension Savings in the Fund for 2021/22 = £90,000
- Unused *Annual Allowance* from previous 3 tax years = £0
- Pension Savings in excess of *Annual Allowance* = £50,000
- *Tax Charge* = £22,500 (45% x £50,000)

The member elects *Scheme Pays* to pay the *Tax Charge* of £22,500 in respect of the tax year 2021/22. This is assumed to be paid by the Fund on 1 January 2023. The member has a £20,000 Fund pot which is reduced first, leaving £2,500 of the *Tax Charge* still to be paid.

The member takes his retirement benefits at age 60 on 1 January 2026.

The Fund Administrator calculates a *Notional DC Debit* in respect of the £2,500 *Tax Charge* at age 60. The example assumes the member does not use *Scheme Pays* for subsequent years.

Year	<i>Notional DC Debit</i> at start of the year	Reference <i>gilt</i> yield	Reference <i>gilt</i> yield +1.5%	<i>Notional DC Debit</i> at year end
2023	2,500	3.0%	4.5%	2,613
2024	2,613	2.5%	4.0%	2,717
2025	2,717	4.0%	5.5%	2,866

If the *Cash Commutation Factor* is 18:1 at age 60, the *Notional DC Debit*, accumulated from the date the tax is paid to retirement, would be converted to a pension of £159 per annum (£2,866 divided by 18).

At age 60, the member's DB Fund pension is £42,500 per annum. This would be reduced to £42,341 per annum to reflect the tax paid by the Trustee on the member's behalf.

## MMC UK PENSION FUND

### REQUEST FOR THE TRUSTEE OF THE MMC UK PENSION FUND (THE FUND) TO PAY AN ANNUAL ALLOWANCE CHARGE USING MANDATORY SCHEME PAYS

(Notice of Joint Liability for an Annual Allowance Charge)

#### Important notes

If you wish the Trustee of the Fund to pay an Annual Allowance Charge using Mandatory Scheme Pays on your behalf, please complete **all** the details below.

Then sign, date and return this form to MMC UK Pensions Arrangements, Maclaren House, Talbot Road, Stretford, Manchester, M32 0FP.

**NB** The form needs to be returned by 31 July 2023 if the Annual Allowance Charge relates to the tax year 2021/22.

If you do not fully complete and return this form by the date(s) specified above, the Trustee of the Fund will not be able to pay an Annual Allowance Charge on your behalf.

By completing and returning this form before the date(s) specified above, you and the Trustee of the Fund will become jointly and severally liable for the Annual Allowance Charge specified below.

#### Your Personal Details

Title	<input type="text"/>	Full name	<input type="text"/>
Total gross Earnings for the tax year 2021/22*	<input type="text"/>		
Full address	<input type="text"/>		
	<input type="text"/>		
	<input type="text"/>		
Postcode	<input type="text"/>	National Insurance number**	<input type="text"/>

\*This information is required to undertake a reasonableness check of your request. It is your responsibility to ensure that this is correct, neither the Trustee or the administrator will check this for accuracy.

\*\* If you do not qualify for a National Insurance number, please explain the reasons for this below:

  
  
  


PLEASE SEE OVERLEAF TO COMPLETE AND SIGN THIS FORM.

## Annual Allowance Charge

Please confirm the amount of Annual Allowance Charge that you wish the Trustee of the Fund to pay on your behalf:

£

Please confirm the Tax Year to which this Annual Allowance Charge relates:

6 April  to 5 April

If the amount of the Annual Allowance Charge you have specified above is £2,000 or less, please tick this box  to confirm that your total Annual Allowance Charge for the tax year above is over £2,000.

## Other events occurring in the specified Tax Year

If you expect to claim all of your pension benefits from the Trustee of the Fund before the end of the tax year you have specified above, please confirm the date on which you expect your pension to start:

If you will reach age 75 before the end of the tax year you have specified above, please confirm the date of your 75th birthday:

## Declaration

I,  confirm that I understand that:

- Once I have completed and returned this form to the Trustee of the Fund I cannot revoke my request to the Trustee of the Fund to pay an Annual Allowance Charge on my behalf.
- The benefits that will be payable to me by the Trustee of the Fund will be reduced to take account of the Annual Allowance Charge that the Trustee of the Fund has paid on my behalf.
- It is my responsibility to ensure the information I have provided is accurate and calculated correctly and that neither the Trustee nor the administrator will check this or undertake any calculations relating to the tax charge or allowance on my behalf.

I also confirm that the Annual Allowance Charge that I have requested the Trustee of the Fund to pay on my behalf, as specified above, has been calculated at the correct relevant rate as described in Section 237B (4) of the Finance Act 2004\*.

Signed

Date  /  /

\* If you require help and assistance in calculating your Annual Allowance Charge, please contact your tax adviser.

## MMC UK PENSION FUND

### REQUEST FOR THE TRUSTEE OF THE MMC UK PENSION FUND (THE FUND) TO PAY AN ANNUAL ALLOWANCE CHARGE USING VOLUNTARY SCHEME PAYS

#### Important notes

If you wish the Trustee of the Fund to pay an Annual Allowance Charge using Voluntary Scheme Pays on your behalf, please complete **all** the details below. You will need to confirm your Tapered Annual Allowance and provide confirmation of your tax charge due.

Then sign, date and return this form to MMC UK Pensions Arrangements, Maclaren House, Talbot Road, Stretford, Manchester, M32 0FP.

**NB** The form needs to be returned by 30 November 2022 if the Annual Allowance Charge relates to the tax year 2021/22.

If you do not fully complete and return this form by the date(s) specified above, the Trustee of the Fund will not be able to pay an Annual Allowance Charge on your behalf.

By completing and returning this form before the date(s) specified above, you will become solely liable for the Annual Allowance Charge specified below.

#### Your Personal Details

Title	<input type="text"/>	Full name	<input type="text"/>
Total gross Earnings for the tax year 2021/22*	<input type="text"/>		
Tapered Annual Allowance for the tax year 2021/22*	<input type="text"/>		
Full address	<input type="text"/>		
	<input type="text"/>		
	<input type="text"/>		
Postcode	<input type="text"/>	National Insurance number**	<input type="text"/>

\*This information is required to undertake a reasonableness check of your request. It is your responsibility to ensure that this is correct, neither the Trustee or the administrator will check this for accuracy.

\*\* If you do not qualify for a National Insurance number, please explain the reasons for this below:

  
  
  


PLEASE SEE OVERLEAF TO COMPLETE AND SIGN THIS FORM.



## Annual Allowance Charge

Please confirm the amount of Annual Allowance Charge that you wish the Trustee of the Fund to pay on your behalf:

£

Please confirm the Tax Year to which this Annual Allowance Charge relates:

6 April  to 5 April

## Other events occurring in the specified Tax Year

If you expect to claim all of your pension benefits from the Trustee of the Fund before the end of the tax year you have specified above, please confirm the date on which you expect your pension to start:

If you will reach age 75 before the end of the tax year you have specified above, please confirm the date of your 75th birthday:

## Declaration

I,  confirm that I understand that:

- Once I have completed and returned this form to the Trustee of the Fund I cannot revoke my request to the Trustee of the Fund to pay an Annual Allowance Charge on my behalf.
- The benefits that will be payable to me by the Trustee of the Fund will be reduced to take account of the Annual Allowance Charge that the Trustee of the Fund has paid on my behalf.
- It is my responsibility to ensure the information I have provided is accurate and calculated correctly and that neither the Trustee nor the administrator will check this or undertake any calculations relating to the tax charge or allowance on my behalf.

I also confirm that the Annual Allowance Charge that I have requested the Trustee of the Fund to pay on my behalf, as specified above, has been calculated at the correct relevant rate as described in Section 237B (4) of the Finance Act 2004\*

Signed

Date  /  /

\* If you require help and assistance in calculating your Annual Allowance Charge, please contact your tax adviser.