

NHS Pensions – Transitional tax-free amount certificate application form

Use this form to apply for a transitional tax-free amount certificate. Below are some key certificate application rules:

- to apply for a certificate, you must be a member of the NHS Pension Scheme (England and Wales (E and W)) or the member's personal representative
- a benefit crystallisation event (BCE) must have occurred but not a relevant benefit crystallisation event (RBCE)
- you must provide **all** the information requested in the sections below, to allow us to assess your application
- we have up to **3 months** from receiving your application to either issue a certificate or reject your application
- if the first relevant RBCE is before we issue your certificate it will be revoked
- you may not always be better off with a certificate

To help you complete your application we have included notes at the end of this form.

Section 1 – Check to see if your application could be rejected

1. Has a relevant tax-free lump sum been paid on or after 6 April 2024 that qualified as a RBCE?

Yes ☐ Your application would be rejected – check this by using HMRC's tool

No ☐ Continue to question 2

2. Has any pension benefits been paid, or was the member aged 75 between 6 April 2006 and 5 April 2024?

Yes ☐ Continue to question 3

No ☐ Your application would be rejected – check this by using HMRC's tool

3. Can you provide evidence that less than 25% of the benefits paid between 6 April 2006 and 5 April 2024 were taken as a tax-free lump sum?

Yes ☐ Continue to Section 2

No ☐ Your application would be rejected – check this by using HMRC's tool – see below.

HMRC has published a tool for you to check if you can apply for the transitional tax-free amount certificate, this can be found at: www.tax.service.gov.uk/guidance/Check-if-you-can-apply-for-a-Transitional-tax-free-amount-certificate/start.

Complete all sections. Use capital letters and black ink. Continue on a separate sheet if you need to, making sure to include the NHS Pension membership number (SD) on each sheet.

Section 2 – About the NHS Pension Scheme member

NHS Pension Membership number	<input type="text"/>
Title (for example, Mr, Mrs, Miss, Dr)	Contact address
<input type="text"/>	<input type="text"/>
Surname	
<input type="text"/>	
Other names	
<input type="text"/>	Post code <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
National Insurance number	Contact telephone number
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>
Date of birth	Contact email address
<input type="text"/> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>

Continue to section 3

Section 3 – About you

☐ I am the member – continue to section 4.

☐ I am the member's personal representative – complete your details below.

Title (for example, Mr, Mrs, Miss, Dr)	Contact address
<input type="text"/>	<input type="text"/>
Surname	
<input type="text"/>	
Other names	
<input type="text"/>	Post code <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Contact telephone number	Contact email address
<input type="text"/>	<input type="text"/>

Tick one box

☐ I have ordinary power of attorney/lasting power of attorney (delete as appropriate) – enclose a copy of your power of attorney and then continue to question 4

☐ I am the legal personal representative of the deceased member's estate – continue to question 4

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Section 4 – Tell us about any tax-free relevant lump sum that's expected to be paid within the next 3 months RBCE

4. Will a tax-free relevant lump sum be paid in the next 3 months? Include any relevant lump sum that is to be paid from the NHS Pension Scheme (E and W).

Yes ☐ Give details below and then continue to question 5

No ☐ Continue to question 5

Pension scheme or provider

Date of the first intended RBCE

Section 5 – Tell us about any tax-free lump sums paid between 6 April 2006 and 5 April 2024 to, or in respect of, the member

5. Has a pension commencement lump sum (PCLS), an uncrystallised funds pension lump sum (UFPLS) or a standalone lump sum (SALS) been paid, or pension rights transferred overseas to a QROPS, between 6 April 2006 and 5 April 2024?

Yes ☐ Give details in table 1 and then continue to question 6

No ☐ Continue to question 6

Table 1	PCLS, UFPLS ¹ or SALS (BCE6) or QROPS (BCE8)			
Pension scheme or provider	BCE date	Amount of <u>tax-free</u> lump sum	Total LTA% used at the BCE	Evidence enclosed
		£	%	<input type="checkbox"/>
		£	%	<input type="checkbox"/>
		£	%	<input type="checkbox"/>
		£	%	<input type="checkbox"/>

¹ If you received a payment of an uncrystallised funds pension lump sum, we just need to know the 25% tax-free element in the column 'Amount of tax-free lump sum', and not the remaining 75% that would have been taxable.

6. Has a serious ill health lump sum been paid between 6 April 2006 and 5 April 2024?

Yes ☐ Give details in table 2 and then continue to question 7

No ☐ Continue to question 7

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Table 2	SIHLS (BCE6)			
Pension scheme or provider	BCE date	Amount of tax-free lump sum	LTA% used at BCE date	Evidence enclosed
		£	%	<input type="checkbox"/>
		£	%	<input type="checkbox"/>

7. Has a lump sum on death been paid in respect of the member between 6 April 2006 and 5 April 2024?

Yes ☐ Give details in table 3 and then continue to question 8

No ☐ Continue to question 8

Table 3	Lump sum on death (BCE7)			
Pension scheme or provider	Date of death	Amount of tax-free lump sum	LTA% used at BCE date	Evidence enclosed
		£	%	<input type="checkbox"/>
		£	%	<input type="checkbox"/>

Section 6 – Tell us if the member is over age 75 (BCE5, BCE5A or BCE5B)

8. Has there been a 75th birthday between 6 April 2006 and 5 April 2024?

Yes ☐ Continue to question 9

No ☐ Continue to question 10

9. Did you/the member have any unclaimed (uncrystallised) pension benefits on their 75th birthday?

Yes ☐ Give details in table 4 and then continue to question 10

No ☐ Continue to question 10

Table 4	Age 75 (BCE5, BCE5A or BCE5B)			
Pension scheme or provider	75 th Birthday	Amount of tax-free lump sum ²	LTA% used at age 75	Evidence enclosed
		£	%	<input type="checkbox"/>
		£	%	<input type="checkbox"/>

² This is the mandatory lump sum amount at age 75, not a lump sum that requires the giving up/exchange of any pension.

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Section 7 – Tell us about any pension benefits paid to the member before 6 April 2006

10. Did any pension benefits become payable for the first time before 6 April 2006? Include any NHS Pension Scheme (E and W) benefits.

Yes ☐ Give details below and then continue to question 11

No ☐ Continue to question 11

Gross annual rate (before deduction of income tax) of pension(s) in payment, from any other pension scheme or provider (excluding NHS Pension Scheme (E and W)) on the date of the first BCE.

Date of the first BCE

Total pension in payment at this date

 £

Section 8 – Tell us about any HMRC protection certificate

11. Is there a valid Enhanced, Primary, Fixed (2012, 2014 or 2016) or Individual (2014 or 2016) protection certificate from HMRC?

Yes ☐ Enclose a copy of the protection certificate or notification letter with this application and then continue to the declaration

No ☐ Continue to the declaration

Where to find more information and HMRC guidance

Information about HMRC's new lump sum allowances, the transitional tax-free amount certificate, and the standard transitional calculation can be found on page PTM170001 of HMRC's Pension Tax Manual at:

www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm170001

We encourage anyone who is concerned about their pension tax position to seek independent financial advice from an authorised accountant or Independent Financial Advisor who specialises in pensions and tax.

How we use your information

For more information about how the NHSBSA processes your personal data, see our privacy notice - www.nhsbsa.nhs.uk/our-policies/privacy/nhs-pensions-privacy-notice

NHS Pension Membership number

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Section 9 – Declaration

I declare that:

- I am the person who is making an application for a transitional tax-free amount certificate
- I/the deceased member have not/has not had an RBCE on or after 6 April 2024
- I have not applied for a transitional tax-free amount certificate with another pension scheme or provider
- the information I have given in this application form and the supporting evidence I have provided is complete and accurate to the best of my knowledge and belief
- if I become aware of any change to the information given, or any new information relevant to my transitional tax-free amount certificate application, I will notify the NHS Business Services Authority – NHS Pensions immediately
- I have read the notes at the end of this form and PTM170001 of HMRC's Pension Tax Manual, available at:
www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm170001

I understand that:

- I am required to provide a copy of my transitional tax-free amount certificate to all my pension schemes within 90 days of receiving the certificate
- I cannot cancel the transitional tax-free amount certificate and must use the certificate once it is issued by the NHS Business Services Authority – NHS Pensions
- once the transitional tax-free amount certificate has been issued, if at any point the NHS Business Services Authority – NHS Pensions, or another registered pension scheme, determines that the information provided is inaccurate or the evidence is incomplete, they have the right to revoke the certificate by issuing a notice of cancellation
- if my transitional tax-free amount certificate is cancelled, I am required to inform all my pension schemes that it has been revoked
- any inaccuracies in the information I have provided may lead to me owing tax, I will be wholly and personally liable for paying the tax charge and any penalties from HMRC

Your signature

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Date

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Email your completed application form and evidence to pensionscanquery@nhsbsa.nhs.uk, or post it with copies of your evidence to: FAO: TTFAC NHS Pensions, PO Box 683, Unit 5, Newcastle Upon Tyne, NE5 9EE.

Use a secure email, such as your NHS work email, if one is available - emails from personal email accounts are sent at your own risk.

We'll write to tell you if your claim is successful or not within 90 days of receiving your application. If your application is incomplete, due to incomplete evidence having been provided, we'll reject it and you'll need to re-apply with a new transitional tax-free amount certificate application form once you have the complete evidence, before the first RBCE.

Notes

These notes give more details about HMRC's lump sum allowances and guidance on the information required.

HMRC lump sum allowances from 6 April 2024

The government introduced new lump sum allowances – the Lump Sum Allowance (LSA) and the Lump Sum and Death Benefit Allowance (LSDBA) from 6 April 2024. These allowances limit the amount of relevant lump sums that can be paid tax-free during your lifetime and in the event of your death.

The member is entitled to the following standard allowances, unless they have HMRC protection that gives a protected right to a higher LSA and LSDBA:

- LSA of £268,275 – this is the maximum amount of tax-free retirement lump sum you can be paid
- LSDBA of £1,073,100 – this is the maximum amount of tax-free retirement lump sum, serious ill-health lump sum and lump sum death benefit that can be paid

A relevant lump sum for the purpose of the LSA is a pension commencement lump sum (retirement lump sum).

A pension commencement lump sum is also a relevant lump sum for the purpose of the LSDBA, along with a serious ill health lump sum (SIHLS) and a defined benefit lump sum death benefit (lump sum on death)

Benefit crystallisation event before 6 April 2024

The amount of available LSA and LSDBA is reduced if there was a benefit crystallisation event (BCE) before 6 April 2024. How the allowances are adjusted depends on whether or not there is a valid transitional tax-free amount certificate.

Transitional tax-free amount certificate

If you hold complete and accurate records for all the tax-free benefits paid before 6 April 2024, and it can be shown that less than 25% of the benefits were paid as tax-free lump sums, an application for a transitional tax-free amount certificate can be made.

Complete evidence we require you to include with your application

You must ensure that you include, what HMRC calls, 'complete evidence'. Complete evidence must account for the total percentage of LTA used in all the BCE's before 6 April 2024 so that the scheme administrator can determine the portion of the pension benefits that were taken as tax-free lump sums.

We'll accept evidence in the form of the letter from the pension scheme/provider at the time the lump sum was paid, showing all the information we have asked for in this application form. If this is not available, you'll need to ask the pension schemes/providers to provide this information by letter or email. This must state all of the following:

- the name of the pension scheme/provider
- the type of tax-free lump sum(s) paid
- the amount of the lump sum(s) paid
- the total LTA% used
- the BCE date(s)

If a payment of an uncrystallised funds pension lump sum has been made, we just need to know the 25% tax-free element, and we don't need to know about the 75% which was taxable.

We also need evidence of any pension in payment before 6 April 2006, that shows the amount of pension at your first BCE date. Evidence of any NHS Pension Scheme (E and W) relevant lump sum that was payable before 6 April 2024 is not required, we have records of these, however, you still need to include details of these in the application form for completeness.

We do not need to know if a trivial commutation lump sum, a small lump sum, a lifetime allowance excess lump sum or an unauthorised payment has been paid, as all these would have all been subject to a tax charge when paid.

What does the transitional tax-free amount certificate show

The certificate will show the amount of previously used LTA amount, expressed as a percentage of the 2023/24 standard LTA, the lump sum transitional tax-free amount and the lump sum and death benefit transitional tax-free amount. The certificate can then be used to determine the available LSA and LSDBA when a relevant lump sum is paid after 5 April 2024. The certificate comes into force the day it is issued.

Lump sum transitional tax-free amount

The lump sum transitional tax-free amount is the total of the following amounts that were paid tax-free before 6 April 2024:

- pension commencement lump sum (retirement lump sum)
- tax-free element of an uncrystallised funds pension lump sum
- stand-alone lump sum

In addition, if there was a pension in payment before 6 April 2006, 25% of the capitalised pension amount (pension x 25) at the date of your first BCE.

Lump sum and death benefit transitional tax-free amount

This is the transitional tax-free amount plus the monetary value of any tax-free part of a SIHLS and/or a lump sum death benefit paid before 6 April 2024. This is often the same amount as the lump sum transitional tax-free amount.

Cancelling a certificate

Once a certificate has been issued you cannot cancel it but we can. If we become aware that any of the amounts specified on the certificate do not correctly reflect the actual lump sum transitional tax-free amount and/or the actual lump sum and death benefit transitional tax-free amount, we have the power to revoke your certificate. We'll do this by issuing you a notice of cancellation and the certificate will be revoked from the day it was originally issued.

Standard transitional calculation

The alternative to a certificate is the standard transitional calculation looks at the amount of lifetime allowance (LTA) used from all the BCEs, and any pre-6 April 2006 pensions, and 25% of the total standard or protected LTA used is deducted from both the LSA and LSDBA.

If a serious ill-health lump sum or a lump sum death benefit has been taken, then for the LSDBA, 100% of LTA usage will be deducted. If 100% or more of the LTA had been used before 6 April 2024, the available LSA and LSDBA are both be deemed to be zero.

Independent financial advice

You may wish to seek independent financial advice to see whether a transitional tax-free amount certificate or a standard transitional calculation is more beneficial for you. You should ensure that any independent financial advice is from either an authorised accountant or Independent Financial Advisor who specialises in pensions and tax.