

<b>Scheme</b>	<b>Problem</b>	<b>History</b>	<b>HMRC involvement</b>	<b>Progress</b>
Special Members of the 2006 Scheme [Modified Scheme]	PAYE errors by authorities	Some authorities paid pension arrears without PAYE	HMRC have requested details from those Fire Authorities who have made PAYE errors by 31 <sup>st</sup> July	I have emailed all authorities to request this data is provided to HMRC by 31 <sup>st</sup> July
Special Members of the 2006 Scheme [Modified Scheme]	Firefighters claiming tax relief for contributions paid to count historical service	Contributions can be paid one of two ways, either straight away in a lump sum or periodically over 2 years. HMRC advice has been that tax relief can only be given in the tax year that the contribution is paid in. This means for those paying by periodical contributions, Firefighters will need to claim annually by self-assessment for a period of 10 years or more. Often the earnings from the Fire Authority are not sufficient to use PAYE, so these need to be claimed via self-assessment.	Various reports of inconsistent advice from HMRC on approach for tax relief.  Such as  a) reports that the guidance commissioned by DCLG and approved by HMRC was not circulated to local tax advisers.  b) reports that HMRC were reviewing the process of claiming the tax relief on the payment of pension contributions.  c) requests from HMRC for a breakdown of contributions and gross earnings by tax year  d) reports that some firefighters have received refunds of contributions based on historical contributions	I am continuing to liaise with HMRC in order to resolve.

<p>Special Members of the 2006 Scheme [Modified Scheme]</p>	<p>National Insurance Refunds for Members who have retrospectively joined the 2006 Scheme</p>	<p>FRA's are required to supply to HMRC the following details for members who were given the opportunity to join the 2006 scheme as a special member. In order for HMRC to provide an employer and employee rebate and correct the records to ensure the member is recorded as contracted out service.</p> <ul style="list-style-type: none"> <li>• Name, address, National insurance number and date of birth</li> <li>• Dates of membership of the modified scheme</li> <li>• Gross pay for each tax year</li> <li>• The amount of national insurance contributions paid separately by the employer and employee, each week or each month depended upon the pay interval, within the relevant period of backdated membership.</li> </ul>	<p>FRA's were unable to supply historical data on National Insurance contributions going back to 2000.</p> <p>HMRC have now confirmed that they have done some testing with the help of data supplied by FRA's and the minimum they now require is</p> <ul style="list-style-type: none"> <li>• Firefighters Name</li> <li>• National Insurance Number</li> <li>• Date of Birth Period they have bought back</li> </ul>	<p>Completed</p>
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1992 Scheme	Contributions Holiday	<p>2,825 scheme members were given a refund of contributions paid, which gave rise to unauthorised payments because they were more than 12 months after retiring. Government have paid the money to authorities (£6,112,708.38) to pay the unauthorised payments. Members have signed the mandate authorising fire authorities to make these payments on their behalf. Authorities want a one-off process to enable them to discharge their liabilities and pay the sums over to HMRC</p>	<p>HMRC have provided a spreadsheet and procedure for administrators to use (circulated by email on 28<sup>th</sup> July 2017 and published to the khub <a href="#">here</a>.)</p> <p>You will need your PSTR and SAFE numbers in order to make payment. If you haven't already please email <a href="mailto:bluelight.pensions@local.gov.uk">bluelight.pensions@local.gov.uk</a> to receive.</p>	Completed
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<p>Compensation Scheme</p>	<p>Ill-Health payments made as part of injury pension entitlement incorrectly treated as taxable</p>	<p>Confirmed by HMRC in Sept 2015, that certain payments made from the compensation scheme should be treated as non taxable as it is exempt under section 644 ITEPA 2003.          Advice given to authorities to contact the employers helpline, but they should correct the situation going forward and follow HMRC guidance to refund incorrectly paid tax.          Situation revisited in February 2016.</p>	<p>HMRC have provided the following guidance</p> <ol style="list-style-type: none"> <li>1. If the pension involved consists solely of non-taxable income there is no need to submit Full Payment Submissions (FPS's).</li> <li>2. If the pension has been returned as a non-taxable for all years, we require a FPS with a leaving date and nil year to date figures.</li> <li>3. If the pension was returned as taxable in earlier years the following submissions are required –             <ul style="list-style-type: none"> <li>• FPS with a leaving date and nil year to date figures if not already submitted</li> <li>• Earlier Year Updates (EYU's) reducing the pay and any tax deducted to nil. This should be provided for every year the pension was incorrectly taxed back to 2013-14</li> <li>• EYU's should reflect the adjustments required to arrive at the correct pay and tax details not</li> </ul> </li> </ol>	<p>Completed</p>
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			<p>the amended figures.</p> <p><b>Repayments will arise to employers for any tax overpaid once the EYU's have been processed. It is the employer's responsibility to refund tax overpaid to the affected pensioners.</b></p> <p>Guidance on how employers can correct payroll errors can be found at <a href="https://www.gov.uk/payroll-errors/correcting-your-fps-or-eps">https://www.gov.uk/payroll-errors/correcting-your-fps-or-eps</a></p> <p><b>Taxable errors made before 2013/2014 will need to be compensated for by the authority.</b></p>	
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