

# HMRC TO TIGHTEN RULES ON PENSION TAX RELIEF SEE WHAT IT MEANS FOR YOU



Following the discovery that a third of pension relief claims via PAYE tax codes contained errors, HMRC has strengthened its checks.

## THE PROBLEM

Contributions into a personal pension are made net of basic rate tax, so only higher and additional rate taxpayers need claim relief. However, HMRC's review found that many basic rate taxpayers were trying to claim. Claims were also made where relief had already been given through salary deduction. To make the situation worse, some claimants had simply guessed their paid pension contributions, rather than using the information provided by their pension provider.

## CLAIMS GOING FORWARD

From 1 September, it is no longer possible to make a claim over the phone; most claims must now be made online. Also:

- Previously, taxpayers only needed to upload or send proof of pension payments made if the payments were in excess of £10,000.
- HMRC now require all claims to be backed up with supporting evidence each tax year.
- For personal pension contributions, this will mean a letter or statement from the pension provider showing the amount contributed.

Postal claims are only possible for those unable to claim online.

The changes have no impact on individuals who complete a self-assessment tax return. Claims for pension relief will continue as normal on the tax return.

## WHO CAN CLAIM

Higher and additional rate taxpayers (in Scotland, taxpayers paying the intermediate rate or higher) paying into a personal or workplace pension can make a claim for the additional amount of tax relief for which they are entitled. For example, an additional rate taxpayer will receive a further 25% in relief.

Taxpayers can also make a claim if tax relief is not given automatically on their pension contributions.

HMRC's guidance on claiming tax relief on pension payments can be found [here](#).

## WE CAN HELP

If you require further information on any issues raised in this Broadcast, please contact us. Call us on 01753 888 211 or email [info@nhllp.com](mailto:info@nhllp.com), we are here to help.