

**As a valued client of Hazell Carr we're keen to ensure that you're kept up to date on important actions required in the running of your pension scheme. This bulletin contains information which you will need to consider**

### **A-Day Protection: Can we help?**

As a result of the Finance Act 2004 you may need to consider whether to take actions to protect any pension benefits accrued before 5 April 2006.

#### **Does this affect you?**

Yes, if your total pension benefits from all sources as at 5 April 2006 are valued at, near to, or in excess of, £1.5m. This could also affect you if you're currently drawing a pension.

If this is the case you may wish to consider applying for 'A-day Protection', to protect you against any possible negative impacts of the new rules that came into force on 6 April 2006.

**You must make a formal application for protection to Her Majesty's Revenue and Customs (HMRC) before 6 April 2009. Failure to do so will result in you being unable to take advantage of these protections.**

#### **How can we help?**

Although we're unable to submit applications for protection to HMRC directly, we can perform the necessary calculations to establish what, if any, protection you could be entitled to apply for.

This will help you when making your decision and completing the relevant submissions forms.

#### **What will it cost me?**

As these are complex calculations we charge a fee of £120 + VAT per calculation per member.

#### **Where can I find out more?**

We can't advise you on whether applying for protection would be suitable for you. So, if you're unclear about protection, or whether it is relevant to your personal circumstances, we strongly recommend you seek advice from your Financial Adviser before making a decision.

If you don't have a Financial Adviser, we suggest you contact IFA Promotion Ltd, which is an industry body responsible for promoting independent financial advice in the UK. IFA Promotion Ltd will be able to give you details of a Financial Adviser in your area and whether they have specialist pensions qualifications. Their contact details are:

Telephone: 0800 085 3250  
Internet: [www.unbiased.co.uk](http://www.unbiased.co.uk)

#### **Contact us**

We will be delighted to help by carrying out these protection calculations. Please contact your Hazell Carr scheme consultant as soon as possible to request a "protection data collection form" to enable us to carry out the calculations accurately.

In doing the calculations we may need to approach other providers to obtain the required information. It is likely that pension providers will experience a rush of data requests in the period up to April 2009 so to ensure we can complete your calculations in time the data collection form must be returned to us by **1 October 2008** at the latest.

**Energy Performance Certificates (EPC)**

The Kyoto Protocol set certain targets for the reduction of greenhouse gases. As part of that protocol, the Government has introduced a requirement for commercial property owners to obtain an EPC for each of the commercial buildings they own when they either sell or let out the property. This certificate must be passed to the buyer/tenant at the date of exchange/lease commencement.

**What is an EPC?**

An EPC provides a rating of the environmental efficiency of a commercial building, much the same as the certificates that have been given to white goods for several years now. The EPC is based on a grading scale with 'A+' being the most efficient and 'G' being the least efficient. This is based on the energy efficiency of the building fabric, heating, ventilation, lighting and any cooling systems. The EPC must also be accompanied by a report containing recommendations for improving the energy performance of the building. *In the remainder of this note, the term "EPC" is to be taken to include the accompanying recommendations report.*

**When is an EPC required?**

From April 2008, the owner of a commercial building who sells or rents it must, by law, obtain an EPC and make it available to prospective purchasers or tenants at the earliest opportunity. This requirement will apply to all commercial buildings from October 2008 and will be phased in according to the table below during the period from April to October.

Floor Area	Operative Date
Greater than 10,000 sq meters.	1 April 2008
Greater than 2,500, but less than 10,000 sq meters.	1 July 2008
All property	1 October 2008

Anyone building a new development must obtain an EPC before selling it. If a commercial building is for sale, an EPC must be made available to all prospective purchasers, and handed over to the new owner once the sale is completed. In the

case of rented buildings, the landlord must obtain an EPC which must be made available to prospective tenants and handed over to the new tenants. This also applies to new sub-lets.

The EPC requirement will form an integral part of the purchase/sale process for commercial property with the onus being on the vendor to obtain the certificate. From the operative dates specified in the table commercial property transactions should not complete until the certificate is obtained.

**Who is responsible?**

The owner of the property (in the case of sale) or the landlord (in the case of leases) is legally responsible for the production of an EPC.

- For SSAS, you as a trustee, together with the other trustees of the scheme, will be responsible. Hazell Carr is not a trustee of your SSAS.
- For SIPPs, Hazell Carr as sole trustee is responsible and will deal with the requirements.

**Who can prepare an EPC?**

An EPC can only be obtained from an accredited EPC specialist. Once it has been completed and audited by an accredited body the EPC is lodged under a unique reference number by the assessor with Landmark Information Group. This is held on a secure database and is valid for 10 years. Should any party require access to the EPC they will require the unique reference number.

We have selected Wilbourn Associates, a leading practice of Chartered Environmental Surveyors to carry out this work. They have several surveyors accredited to complete the EPC reviews. We have used them on numerous occasions and we find them to be an efficient, professional and proactive organisation.

**Empty Property Rate Relief**

From 1<sup>st</sup> April 2008 changes to Empty Property Relief will take effect following the Rating (Empty Properties) Act 2007 which affects properties in England and Wales.

Previously, owners of commercial properties that were empty for up to three months did not have to pay commercial property rates. Thereafter the property owners would be liable to pay rates at a discount of 50%. There was no rates liability for empty industrial premises (e.g. warehouses and factories).

This has now changed. Owners of commercial properties that are empty will be required to pay full commercial rates after three months of the property being empty. For industrial sites there will be no rates to pay for the first six months that the property is empty and 100% thereafter.

There are some exemptions to this legislation. These are properties held by charities and community amateur sports clubs, companies in administration and listed buildings.

#### **What do I need to do?**

In the case of SSAS schemes, the trustees need to be aware of this change and act accordingly. For SIPP cases, should your scheme property become vacant please inform us as soon as possible.

### **The Registered Pension Scheme Return 2007-08**

Her Majesty's Revenue and Customs (HMRC) may, by giving notice, require the Scheme Administrator of a registered pension scheme to complete a Registered Pension Scheme Return (RPSR) giving information about the scheme. HMRC will specify in the notice the period to be covered by the return.

#### **How does this affect you?**

If you've appointed Hazell Carr as **Administrator** to your scheme, we will receive the RPSR direct.

If you've appointed Hazell Carr as the scheme's **Authorised Practitioner**, you will receive this notice. If you've received a request from HMRC to provide a return, please forward a copy of the notice to us, to allow us to collate the information on your behalf. If you haven't received a notice, please let us know, so that we can make a record of this.

#### **What if I haven't appointed Hazell Carr formally?**

Whilst we're continuing to provide administration services to you, as you've not adopted Post A Day (6 April 2006) rules we're not acting in the formal capacity of either Administrator, or Authorised Practitioner.

In the absence of the Scheme appointing an Administrator, HMRC will appoint the Trustees as Administrator. The Administrator will then be responsible for the submission of the RPSR.

There were many practical issues surrounding the submission of scheme returns for the 2006/07 tax year, and many trustees had difficulty in completing this in time to meet the deadline for submission.

Whilst the Pension Scheme Return is only one requirement of the many needed to properly administer a pension scheme, it is one where HMRC can impose fines if returns are not made by the deadline. The other general requirements of administering a registered pension scheme are time consuming and complex, and this is why many trustees utilise the services of specialised pension administrators such as Hazell Carr, who are expert at providing a first class customer and administration service on behalf of their clients.

#### **How can I formally appoint Hazell Carr?**

We would be happy to undertake the role of Administrator or the supporting role of Authorised Practitioner, however we need you to return the rules we have previously issued.

Please note that we'll complete and submit the RPSR for the Scheme should you appoint us in either capacity.

If you need a fresh set of documentation please contact your scheme consultant.

If we are to undertake the RPSR for the Scheme, the rules must be adopted before 22 September 2008.



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### Do you need to take action?

#### How long have I got to submit the return?

The RPSR for 2007-08 must be submitted to HMRC no later than 31 January 2009.

Given the timescales involved in collating the necessary information, if we do not hear from you before **22<sup>nd</sup> September 2008**, we will assume that you do **not** wish us to complete the RPSR on your behalf. Should it subsequently transpire that a notice is indeed applicable to the scheme for the 2007-08 tax year, we will not be held liable for any potential fines that may be incurred for late submission.

#### What happens if the return is not submitted on time?

**Failure to submit the RPSR will lead to an initial fine of £100 plus an additional £60 per day until the return is submitted.**

In addition the submission of any fraudulent and or negligent incorrect returns could lead to a fine of up to £3000.

### Contacting Hazell Carr

[www.hazellcarr.com](http://www.hazellcarr.com) Tel: 01786 434250

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Calls may be recorded to help improve the quality of our service.