



Professional Adviser Use Only

The information contained in this document is based on our understanding of HM Revenue & Customs (HMRC) rules & practice. It is provided as a summary only. Readers should refer to HMRC's Pensions Taxation manual and other suitable sources for full details. Whilst every effort has been made to ensure accuracy, no responsibility can be taken for actions taken, or refrained from being taken, as a result of this information.

Tax Relief on SIPP Contributions – Scottish Taxpayers

From 6 April 2018, new Income Tax rates and bands apply to Scottish taxpayers.

When an individual makes a contribution to their SIPP with Yorsipp, we claim the tax relief on their behalf. Before 6 April 2018, tax relief was claimed at the basic rate of 20% for all UK taxpayers. If the individual was above the basic rate of tax, they had to claim the extra relief through their tax return.

For Scottish taxpayers, we will continue to claim tax relief at 20% on individual contributions paid from 6 April 2018. Where the individual is a:

- Scottish 'starter rate' (19%) taxpayer, HMRC will not recover the extra 1% relief given.
- Scottish 'intermediate rate' (21%) taxpayer, the individual can claim the additional 1% entitlement through their Self-Assessment return if they complete one, or by contacting HMRC's PAYE & Self-Assessment department.
- Scottish 'higher rate' (41%) or 'top rate' (46%) taxpayer, the individual can claim the additional entitlement through their Self-Assessment return, as they have done until now, or by contacting HMRC's PAYE & Self-Assessment department.

More information, including how to contact HMRC can be found here:

<https://www.gov.uk/government/publications/pension-schemes-relief-at-source-for-scottish-income-tax-newsletter-february-2018/pension-schemes-relief-at-source-for-scottish-income-tax-newsletter-february-2018#appendix-1---messages-for-your-members>

We recommend that advisers discuss the above with their clients, while also taking into account the various other aspects of pensions tax relief.