

SSAS update

October 2026

Our view on recent regulatory and legal developments for trustees of small self-administered pension schemes.

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Inheritance tax on unused pensions: A reminder of the change

From 6 April 2027, most unused pension funds will form part of an individual's estate for inheritance tax (IHT) purposes when they die. This applies whether benefits have already started to be drawn or not.

In practice, any pension benefits that fall within the new rules, including remaining SSAS funds, will be assessed alongside the individual's other assets when calculating any IHT liability. Whether tax is payable will depend on the total value of the combined estate and the available IHT allowances.

The deceased's Personal Representatives (PRs) will play a central role in the process. They will need to contact pension schemes, gather information on the value of any remaining pension benefits, calculate any IHT due, deal with the necessary reporting and ensure any IHT due is paid.

The usual IHT rules are expected to apply, including the available nil-rate bands and exemptions. Benefits paid to a surviving spouse or civil partner are generally exempt from IHT, although PRs will still need to obtain the relevant pension information and include it as part of the administration process.

Trustees will only be directly responsible for paying IHT to HMRC in limited circumstances. However, they will have strict deadlines to meet when responding to requests and instructions from PRs and beneficiaries. For example, trustees will generally have only four weeks to provide details of the value of a member's remaining pension funds at the date of death where the PRs ask for this information.

What are our experts thinking about?



These changes are likely to create significantly more interaction between PRs, trustees and beneficiaries, often within very tight timescales. In a SSAS, where the same individuals frequently act as trustees, beneficiaries and PRs, this may be relatively straightforward. However, where these roles are carried out by different people, trustees will need to respond quickly to meet their obligations.

The spouse or civil partner exemption may not always be as straightforward as it sounds. Full exemption generally only applies where the surviving spouse or civil partner is a long-term UK resident for IHT purposes (or where neither they nor the deceased are). Determining long-term UK residence status can be complex. However, HMRC has stated that pension scheme administrators can rely on a statement from the PR as to whether the surviving spouse or civil partner is a long-term UK resident. Further HMRC guidance on international issues is expected.

We also expect estates to take longer to administer, with the additional information gathering and tax calculations likely to add delays.

Finally, many PRs are likely to find both the process and the calculations challenging to navigate. Pension scheme administrators may also face a steep learning curve, as IHT has not traditionally been an area in which they have needed detailed expertise.

Learning from changes to HMRC's Scheme Return

As part of the move from Pension Schemes Online (PSO) to the Managing Pension Schemes (MPS) service, HMRC has updated the information required within the Scheme Return.

Having now completed a large number of these returns for clients, we've identified several areas that trustees should pay particular attention to:

- "Membership" numbers now include anyone receiving a beneficiary pension, even though they would not traditionally be considered scheme members.
- The value of scheme assets should reflect any borrowing and any outstanding creditors or debtors.
- Returns now require details of which employer paid each contribution.
- Full information is needed for loans, including amounts advanced, repayments made and details of the security held.
- Additional information is required for unquoted shares and employer-related investments, including both new purchases and existing holdings.
- For commercial property investments, any changes to lease arrangements and details of rental payments must also be reported.

The revised Scheme Return is generally more detailed than its predecessor. Schemes with a high level of activity during the year may find completion particularly time-consuming and trustees should ensure they maintain clear records throughout the year.

Timeline applicable to SSAS

28 October 2026	Budget day
31 January 2027	Deadline for submission of HMRC RPSR for 2025/26.
Before the tax y/e	Consider whether Annual Allowances may be exceeded.
5 April 2027	Tax year end
6 April 2027	Inheritance tax on unused pensions applies.
6 April 2027	Expected closure of HMRC's old PSS service.
6 April 2028	Change to Normal Minimum Pension Age applies

These dates are a general guideline only and other dates will apply to specific SSASs. For example, if any scheme return or levy is due to the Pensions Regulator and, of course, various dates in relation to certain investments, such as rent review dates and loan repayments.

Other upcoming changes applicable to SSAS

Closure of HMRC's Pension Schemes Online service

We've previously highlighted HMRC's ongoing programme to migrate pension scheme administration from the Pension Schemes Online (PSO) service to the Managing Pension Schemes (MPS) service.

HMRC has now confirmed that the PSO service will close in April 2027. Trustees whose schemes have not yet been migrated will need to complete the process before then to ensure they can continue to meet their reporting obligations.

Failing to migrate could mean trustees are unable to submit returns or complete other key administrative tasks, potentially resulting in missed deadlines and HMRC penalties. HMRC has recommended that schemes complete the migration process by 31 December 2026, giving trustees time to address any issues ahead of the service closure.

For any trustees who have not yet started the process, migration should now be considered a priority.

Changes to The Pensions Regulator's (TPR) scheme return

The Pensions Regulator (TPR) is separate from HMRC and has its own reporting requirements, including their own "scheme return".

TPR has recently refreshed the scheme return process with the aim of making it quicker and easier for trustees to complete. According to TPR, the updated return:

- asks fewer questions
- focuses on information that is legally required
- removes unnecessary duplication
- is clearer and easier to complete through Exchange
- has an updated appearance, so some screens may look different from previous versions.

While the changes should help simplify the process, trustees should continue to keep a close eye on their Exchange account. TPR does not always issue separate reminders, so regularly logging in and checking for any outstanding requests is a sensible way to avoid missing deadlines and potential regulatory issues.

The minimum pension age will increase to 57 from 2028

As a reminder, the normal minimum pension age will increase from 55 to 57 on 6 April 2028.

For most people, this means pension benefits will not normally be accessible until age 57. Broadly speaking, anyone born on or after 6 April 1971 is likely to be affected by the change and may need to wait an additional two years before they can start drawing benefits from their pension arrangements.

Although 2028 may still seem some way off, the increase is an important consideration for retirement planning. Individuals who are intending to access pension savings in their mid-50s should review their plans and ensure they are working towards a retirement timetable that reflects the new rules.

Regulatory reporting requirements for 2025/26

A timely reminder for everyone involved with a SSAS: there are a number of regulatory reporting requirements that trustees and scheme administrators need to keep on top of each year. Missing deadlines can lead to penalties and unnecessary administration, so it's important to check whether any returns are due and ensure they are submitted on time.

How we can help

We appreciate that pension reporting requirements continue to become more detailed and can be time-consuming to manage. If you would like assistance with the preparation or submission of any of the necessary reports, please get in touch.

HM Revenue & Customs (HMRC)

HMRC reporting is now carried out through its Managing Pension Schemes (MPS) service, following the migration from the old Pension Schemes Online platform.

Trustees and Scheme Administrators should ensure that all required reports for the 2025/26 tax year are submitted by 31 January 2027. Missing HMRC deadlines can result in automatic penalties.

HMRC Scheme Return 2025/26

HMRC has issued requests for the completion of its Registered Pension Scheme Return for the 2025/26 tax year.

The individual registered with HMRC as the Scheme Administrator should check whether a Scheme Return has been requested and, if so, ensure that it is completed and submitted by the relevant deadline.

Where LCP has been appointed as Authorised Practitioner, we have already contacted affected clients with details of the requirements. Where we have not been appointed, responsibility for submitting the return rests with the Scheme Administrator. We would be grateful if a copy of the completed return could be provided to us for our records.

HMRC Event Report 2025/26

In addition to the Scheme Return, HMRC requires an Event Report where certain reportable events occur during the tax year.

The reporting requirements can be complex, and trustees are not always certain whether a particular transaction or event needs to be disclosed. If you are unsure, please contact us with the details and we will be happy to help determine whether a report is required.

Where we are aware that a reportable event has occurred, we have already written to clients outlining the steps that need to be taken. If LCP has been appointed as Authorised Practitioner, we can prepare and submit the Event Report on your behalf. Otherwise, responsibility for submission rests with the Scheme Administrator.

The Pensions Regulator's (TPR) scheme return

Trustees of SSASs with two or more members must maintain their registration with TPR and complete TPR's scheme return when requested.

TPR usually notifies trustees by email or post when a return is due, but notifications are not always received. For this reason, trustees should regularly log in to TPR's online Exchange system to check whether a return has been requested. TPR typically allows around six weeks for completion of the return and has the power to issue fines where deadlines are missed.

Unlike HMRC's annual reporting cycle, TPR generally requests scheme returns on a rolling three-year basis.

Regulatory reporting requirements for 2025/26 (cont'd)

Reportable Events 2025/26

The list of events that must be reported to HMRC is extensive, although many are unlikely to apply to most SSASs. In addition, several events that previously required separate reporting are now captured through the Scheme Return process.

To help trustees and Scheme Administrators focus on the areas most relevant to SSASs, we've summarised below some of the more common reportable events. The Scheme Administrator should review any activity during the tax year and arrange submission of an Event Report where required.

The main reportable events that may affect SSASs include:

- **Reportable lump sums.** This will typically arise where a lump sum paid from the scheme exceeds a member's available Lump Sum Allowance (LSA) or, when taken together with other lump sums previously paid, causes the member to exceed their LSA.
- **Issue of a Pension Savings Statement.** This is generally required where a member's pension input amount, including contributions and benefit accrual, exceeds the standard Annual Allowance for the tax year.
- **Changes in scheme membership numbers.** An Event Report may be required where membership moves between certain thresholds, for example where the number of members increases from one to two, rises above 11, falls below two, or reduces to zero.
- **Certain amendments to the scheme rules.** Some rule changes must be reported to HMRC, depending on the nature of the amendment and its impact on the scheme.
- **Chargeable payments.** These generally relate to income or gains arising from taxable property held by the scheme, most commonly residential property investments.
- **Unauthorised payments.** This is a specific legal term covering payments that are not permitted under pension legislation. Examples can include loans made directly to members or other transactions that do not satisfy HMRC's rules.
- **Scheme wind-up.** Where a scheme has formally wound up, an Event Report will normally be required.

Although many SSASs will not experience any reportable events in a given year, trustees should ensure that all significant transactions and scheme changes are reviewed carefully. Where there is any uncertainty over whether an event is reportable, we recommend seeking advice as early as possible, as late reporting can result in penalties from HMRC.

Information Commissioner's Office registration

Trustees should also remember that their registration with the Information Commissioner's Office (ICO) must be renewed each year.

The simplest way to ensure registration remains up to date is usually to pay the annual fee by direct debit. Trustees should check that their registration details remain accurate and that renewal has been completed on time to avoid unnecessary correspondence from the ICO.

If you require any assistance with ICO registration or renewal, please contact us and we will be happy to help.



Why choose a SSAS with LCP?

Choosing the right adviser is just as important as choosing the right pension arrangement. At LCP, we combine the resources and expertise of one of the UK's leading pension consultancies with a personalised service tailored to the needs of SSAS trustees and members.

Our role is to act as professional advisers to trustees, helping them navigate increasingly complex pensions legislation and supporting the ongoing administration of their scheme. We work closely with our clients to ensure their SSAS remains compliant while allowing them to make the most of the flexibility that a SSAS can offer.

One of the key ways we differ from many SSAS providers is that we do not act as a trustee. This means we are not co-owners of scheme assets and are not required to be co-signatories on SSAS bank accounts. As a result, trustees retain direct control over the scheme's assets, investments and banking arrangements. For example, trustees do not need LCP's separate authorisation before making payments from the scheme bank account, helping to simplify administration and decision-making.

Our philosophy is straightforward: we support trustees as much or as little as they need. Many clients value the ability to remain closely involved in the management of their SSAS, while having access to experienced professional guidance when required. At the same time, we take a proactive approach to keeping clients informed about legislative and regulatory developments that may affect their schemes.

We are proud of the long-term relationships we have built with our clients. Many have worked with us for years, reflecting the importance we place on delivering a responsive, personal and professional service.

Whether you are considering setting up a new SSAS, transferring an existing arrangement, or simply exploring whether a SSAS could be appropriate for your circumstances, we would be pleased to discuss your options and explain how we can help.

If you or your clients would like to find out more, please get in touch.

Any questions?

If you would like any assistance or further information on the contents of this SSAS update, please contact Chris Green or Patrick Moriarty or email enquiries@lcp.com.



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