

+ SSAS update

November 2025

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

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Unused pension funds in scope for inheritance tax (IHT)

As reported in our previous update, from 6 April 2027 most unused pension funds, i.e. any funds remaining in the pension, whether or not they have started to be drawn, will be included for inheritance tax purposes after an individual's death.

Following consultation, the Government has now settled on much of the way ahead. The two key changes made are to take lump sum multiple of salary death in service benefits out of scope of IHT, and to change the mechanism for collecting IHT on pension benefits.

As initially proposed, all pension benefits in scope of IHT will be considered alongside assets in an individual's estate for inheritance tax purposes – with tax due depending on the overall size of the combined pension, death benefit and other estate assets.

The standard inheritance tax rules are expected to apply, including 'nil-rate' thresholds. One key point for trustees is that benefits to a legal spouse or civil partner will not be in scope for IHT.

The 'Personal Representatives' of the deceased will be responsible for contacting pension schemes as well as calculating, reporting and ensuring any IHT due is paid, working with the beneficiaries. Trustees will only have a liability to pay IHT to HMRC in limited circumstances.

Trustees will have four weeks to respond with the value of the deceased's remaining pension funds at the date of death.

There will be three options for the payment of IHT:

- The non-pension estate pays all the IHT due;
- The beneficiaries choose to pay the IHT due on their benefits themselves;
- The beneficiaries from pension scheme assets can direct the trustees to pay the IHT due on their scheme death benefits (a new "scheme pays" style option). If this option is selected the tax must be paid within three weeks of a valid instruction.

If IHT is not paid within six months of the death, late payment interest charges begin to accrue.

Our viewpoint

Trustees, Personal Representatives and beneficiaries will need to work together to meet the obligations.

This will be complicated for Personal Representatives and beneficiaries to navigate, at a difficult emotional time.

Trustees are likely to come under pressure to process some death payments more quickly than is currently the case.



The next Budget is on 26 November 2025

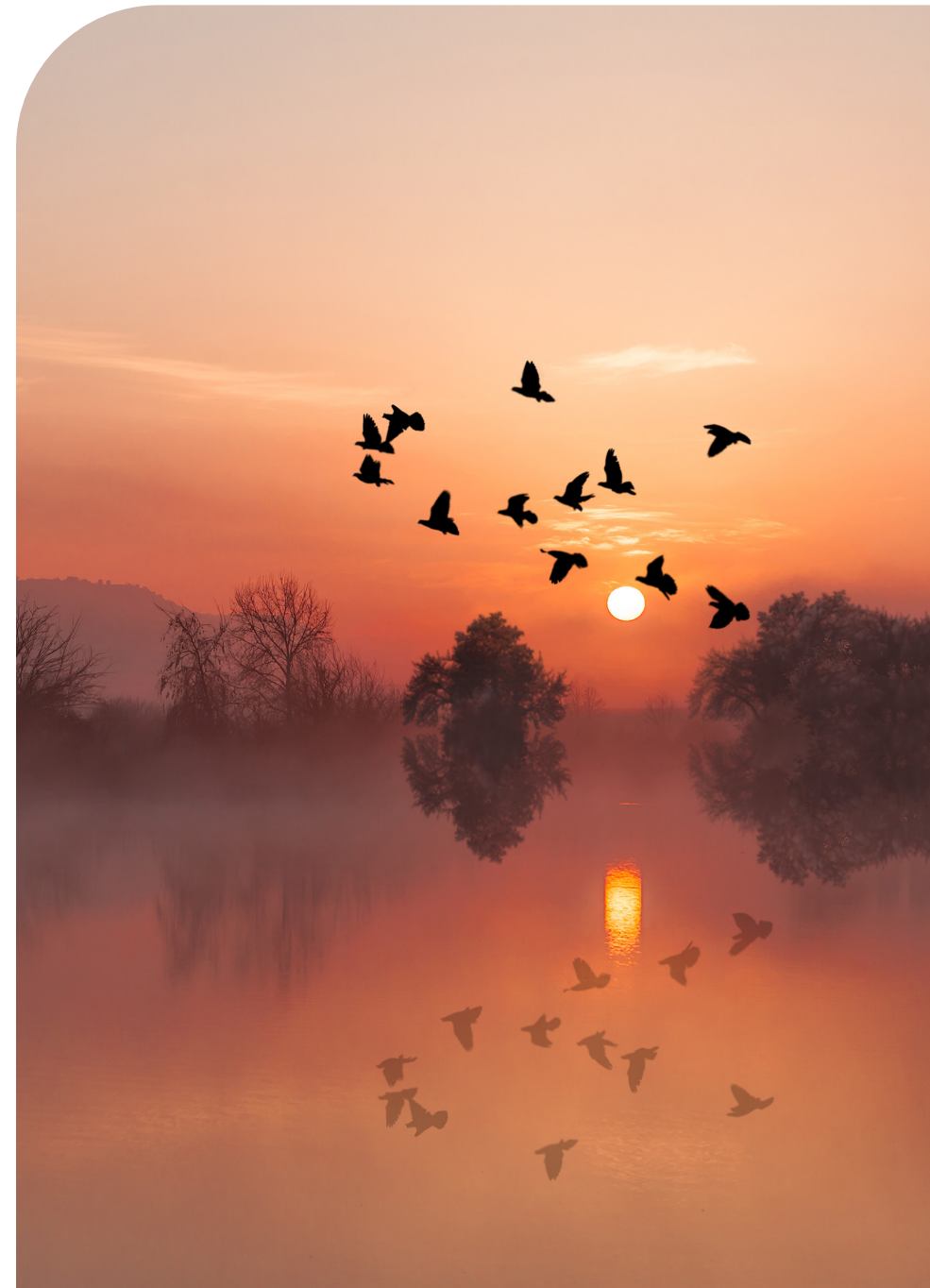
We await the next Budget and will update clients on any relevant changes when known.

Why a 'SSAS' with LCP?

LCP is one of the UK's leading pension consultants. Our top priority is to deliver the right solutions for our clients, large and small, based on an understanding of their scheme and consulting needs. We act as professional advisers to our SSAS trustee clients, guiding them with pensions legislation and assisting with the scheme's administration.

We differ from other SSAS providers as we do not act as a Trustee. Therefore, we are not co-owners of the assets nor co-signatories on the bank accounts. For example, our SSAS clients don't need us to separately authorise payments from the SSAS bank account. This enables our SSAS clients to retain complete control of their SSAS, its cash and investments.

Our approach is to get involved only to the extent our clients want us to, allowing them to stay in control. However, we remain proactive when appropriate, such as when pensions legislation changes. We offer our SSAS clients a personalised service, and pride ourselves on longstanding, successful relationships with our clients – most of whom have been with us for many years.



Regulatory reporting requirements 2024/25

A reminder for all those connected with SSAS of the regulatory reporting requirements.

HMRC's online Managing Pension Schemes service

HMRC has completed the migration of their online service from the Pension Schemes Online service to the Managing Pension Schemes (MPS) service.

Trustees now need to ensure that they are registered with the MPS and that they have successfully completed the migration process for their scheme. If not, they risk missing future reporting deadlines and incurring fines from HMRC.

HM Revenue & Customs

Scheme Administrators must submit reports for the 2024/25 tax year by 31 January 2026.

HMRC reports must now be completed on their online "Managing Pension Schemes" service. Trustees must register on this service and complete the migration of their scheme from the old service to submit reports.

Failure to meet the deadline will result in automatic fines.

HMRC Scheme Return 2024/25

HMRC have issued requests for the completion of their Registered Pension Scheme Return for the 2024/25 tax year.

Trustees should note that HMRC now requires more information for the Scheme Return. Additional data needed includes National Insurance numbers, benefit payments and further information on the investments.

We previously provided more details of the requirements in our News Alert issued in June. [Click here to read it.](#)

Whoever has registered with HMRC online as Scheme Administrator should check to see whether a request to complete a return for the 2024/25 tax year has been received and, if it has, arrange its completion. Please let us have a copy of any submitted return in due course.

Where LCP has been appointed as Authorised Practitioner we have already written to those clients with a note of the requirements. Where we are not appointed, the Scheme Administrator will need to complete any required submission. We are happy to act as Authorised Practitioner if desired - please contact us for details.

HMRC Event Report 2024/25

In addition to the Scheme Return, HMRC requires an Event Report to be submitted if certain events occur during each tax year. We provide some information on the reportable events to help trustees determine if an Event Report is needed in the next section.

If unsure about an event, please provide us with details so we can assist.

Where we are aware that a reportable event has occurred, we have already written to clients regarding the next steps that need to be taken to submit the report. If a reportable event has occurred and LCP has been appointed as Authorised Practitioner we can submit the report. Otherwise, the Scheme Administrator must arrange for the submission of the report.

Reportable Events 2024/25

The Regulations list many events, most unlikely to apply to SSASs. A number of previously reportable events are now included in the Scheme Return.

We have summarised below the main type of reportable events that may apply for SSASs. The Scheme Administrator should review the list of events and arrange submission of a Report if appropriate.

- Reportable lump sums. Usually where a lump sum is paid that exceeds a member's Lump Sum Allowance (LSA), or when combined with the member's other lump sum payments, exceeds the member's LSA.
- A Pensions Savings Statement has been issued. This is a requirement where a payment above the standard Annual Allowance has been received.
- A change in membership between certain bands (i.e. where the number of members has increased from 1 or above 11 or decreased below 2 or become 0).
- Certain changes to the scheme rules.
- The scheme has wound up.
- The scheme has a chargeable payment. This relates to income and gains on "taxable" property (usually residential property).
- Unauthorised payments. An unauthorised payment is a legally defined term and includes, for example, a loan to a scheme member.
- A member commences receipt of their benefits before normal minimum pension age - normally only possible on ill-health grounds.

The Pensions Regulator's scheme return

The Pensions Regulator (TPR) is a separate government body to HMRC. Trustees of schemes with two or more members will need to maintain their registration with TPR and complete a different scheme return for them. TPR requests the completion of their scheme return normally on a rolling three-year basis.

TPR usually notifies trustees of the requirement to complete their scheme return by email or post. However, this is not always the case. We suggest that trustees regularly check the TPR's online "Exchange" system to see whether a return is due. TPR aims to give trustees six weeks for the completion of the return. They have the power to fine trustees for failing to do so.

TPR now requires details of any "Investment Consultants" and "Fiduciary Managers" appointed by the trustees to be included in the return. TPR also asks questions about "value for money assessments", "Statement of investment principles" and "climate change reports", which are not usually applicable to SSASs.

TPR asks trustees to confirm when they last checked their member data to ensure it is complete and up to date. This is more appropriate to larger schemes, but TPR have adopted a blanket approach. We would not normally expect trustees of SSASs to have a problem confirming their members' "common data" as it is generally data about themselves. With the assistance of their professional advisers, "scheme specific data" should not be a problem, providing things like scheme accounts are up to date. Whether the data is readily to hand is another matter!

We can assist clients to meet the requirements by providing scheme and member statements showing the common and scheme specific data we hold along with some appropriate commentary. We can also be appointed to complete TPR's scheme return on the trustees' behalf if desired. Please contact us for assistance

Information Commissioners Office registration

Trustees should remember to renew their registration with the Information Commissioners Office (ICO) annually. The easiest way is to pay the renewal via direct debit. Contact us for any assistance.



Any questions?

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



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