For customers

Our new platform

nucleus platform

SIPP Property information form

Your questions answered

6 minute read



Questions and answers

This document answers some of the questions you may have about the SIPP Property Information Form.

Why am I being asked to complete a SIPP Property Information Form?

Rental income received for properties held in these types of pension schemes is reportable to HM Revenue & Customs (HMRC) by way of a Pension Scheme Return (PSR), which we are required to undertake annually. The information you provide will enable us to complete the PSR.

Regarding all self-managed property within our schemes, it is essential that we are informed of any changes that might impact the property. Examples of such changes may be:

- alterations to the physical property (whether internal or external in nature).
- changes in use of the property.
- changes in occupier and the terms of (if applicable) any surrenders or new occupations. Please note, wherever a tenant takes occupation of the property, there should be a formalised lease agreement in place drafted by our Panel solicitor
- the property becomes vacant (wholly or partially).
- costs incurred by the SIPP, or you personally, relating to the maintenance or repair of the property.

This is not an exhaustive list. Such changes may impact the rental or capital value of the property, which may in turn impact the value of your SIPP. Information provided by you relating to the current status of the property is therefore relied upon by us to ensure records relating to your property are accurate.

There are many potential scenarios that could lead to HMRC challenging whether or not the pension scheme is being operated in accordance with its rules, and then subsequently seek to raise tax charges for the failure to adhere to those requirements.

Should HMRC seek to raise tax charges depending on the type of scheme, these could be charged to the member and the pension scheme itself, and could be as high as 70% across all parties. Therefore, it is essential that we hold accurate and up to date information, to ensure we can evidence that all statutory requirements are being met.

Please read the Case Studies later in this document highlighting some scenarios that could lead to a pension scheme paying these tax charges.

What is deemed a 'Connected party'?

A connected party is defined as a person or persons connected to the member(s), for example:

a. a member's spouse or civil partner, or

b. a member's relative, or

c. the spouse or civil partner of a relative of the member, or

d. a relative of the member's spouse or civil partner, or

e. a member's business partner, the spouse or civil partner or relative of the business partner, or

f. any company controlled by the member, the member's spouse or civil partner, relative of the member, or relative of the member's spouse or civil partner.

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The property has since been sold/transferred away. What should I do?

Please write to us or email PropertyAdmin@email.nucleusfinancial.com and we will amend our records. Please note that if the property was sold or transferred away during the 2025/26 tax year, you will still need to complete the SIPP Property Information Form as we are obliged to provide this information to HMRC on the PSR.

How do I return the completed form and documentation to Nucleus?

You can return the form and any accompanying documentation to the Property Team by:

- Secure message via your online account with us
- Email to PropertyAdmin@email.nucleusfinancial.com
- Post to Nucleus, Suite 202 Warner House, 123 Castle Street, Salisbury, SP1 3TB.

My insurance doesn't cover the requirements set out in the form. What should I do?

Please update your insurance policy immediately to ensure it meets our requirements, and provide us with a copy of the updated policy documents.

Can I send original documents to Nucleus?

Yes, however we would encourage you to send copies to us at this time, if possible. We are unable to accept any liability for any documents that may become lost in the post. We recommend you send any original documents via a guaranteed or recorded delivery service. When posting your completed SIPP Property Information Form and accompanying documents, please indicate in a covering note which items are originals and need to be returned. We will return these to you via recorded delivery.

If I cannot retrieve the necessary documents to complete the SIPP Property Information Form, what should I do?

If you are unable to return the necessary information to us, please call us on 03455 212 414.

How do I know that my completed SIPP Property Information Form has been received?

If you wish to check that we have received your SIPP Property Information Form, please call us on 03455 212 414 or email us at PropertyAdmin@email.nucleusfinancial.com.

Energy Performance Certificate (EPC). What action is required from me and why?

With effect from 1 April 2023 Minimum Energy Efficiency Standard (MEES) regulations have been extended so that commercial property landlords won't be permitted to let, or continue to let, any buildings which have an EPC rating of F or G. Therefore, from this date it is illegal for a landlord to continue to let a commercial property (which is already let) if the property has an EPC rating of band F or G. If the current EPC has expired, or an EPC has never been completed, action must be taken urgently to avoid any potential fines for non-compliance. If the property is exempt please ensure this is recorded on the Exemptions register (prsregister.beis.gov.uk) on our behalf as agent, and ensure it is regularly updated.

If you have any queries regarding exemption,- please refer to an EPC assessor. This update of legislation applies to England and Wales however we expect it to roll out to Scotland and Northern Ireland in the near future so we would encourage you to take action now in readiness. Please note that if we don't receive the information requested, we may consider it necessary to take action directly to remedy the matter, undertake any relevant work or potential disposal of the asset, and the associated cost will be paid from the pension fund.

Case study 1: Residential conversion

The lease on a commercial property that is held in a SIPP comes to an end and the property becomes vacant. The member takes advice on the marketing options and decides to convert the property for residential use without consulting their financial adviser or us. The pre-conversion value of the commercial property is £160,000.

The member obtains the necessary planning permission and spends £25,000 converting the building to make it suitable for use as a dwelling. The property is marketed for sale and, after a period of six months, a purchaser buys the property at the post-conversion market value of £220,000. As the building is suitable for use as a dwelling which, under the legislation, is deemed to be taxable property, we are obliged to report this to HMRC and tax charges will apply to the member personally as well as to the pension scheme.

The liability to the member would be £101,750, calculated as follows:

A 40% tax charge on the total (pre-conversion) value of the property and conversion costs.	A 15% tax surcharge as in this example it is deeed that this total value is more than 25% of the value of the pension fund.

The member provides evidence of this payment to us, otherwise the 15% tax charge listed below is increased to 40% if it is not paid.

The pension scheme also has to pay HMRC:

A 15% tax charge on the total (pre-conversion) value of the property and conversion costs.	A 40% tax charge on the higher of the actual net rental income received or "deemed" rent for the six months between conversion and sale. The deemed rent is 10% (post-conversion value) of the property.	A 40% tax charge on any capital gains arising from the disposal of the property.

Case study 2: Rent arrears

The member uses their pension scheme to purchase a shop unit. The member's business will be occupying the property on a five year lease. A RICS surveyor confirms the market rent for the property is £12,000 per annum. Rent is paid up to date for the first year. However, arrears of £9,500 accrue during the second year, despite repeated requests for payment, and no valid commercial reason is given as to why the rent has not been paid in full.

As the business and the member are connected parties, we are obliged to report the rent arrears to HMRC. This tax charge may fall liable to the member and the scheme. By not paying the rent, the business is also at risk of the lease being forfeited so they would have to vacate the property.

The member must pay £3,800 to HMRC, based on a 40% tax charge on the rent arrears value. Failure to provide us in time with evidence of this payment will mean the scheme tax charge will also be applied at 40% of the rental arrears value, amounting to a further £3,800. Once this evidence is received, the information is sent to HMRC and a refund of 25% is returned to the scheme. This reduces the tax that was paid from £3,800 to £1,425.

How to contact us

Other commercial property guides and the relevant form(s) can be found on our website.

If you have any questions after reading this guide, please contact us via secure message or write to us at:

Nucleus
Suite 202 Warner House
123 Castle Street
Salisbury
SP1 3TB

Website: nucleusfinancial.com

Telephone: 03455 212 414
Lines are open from 8:30am to 5:30pm.
To help us improve our service, we may record or monitor calls.

For literature in alternative formats, such as Braille, large print, audio or E-text, please call us on 03455 212 414, or via the Relay UK service on 18001 03455 212 414.

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