

How to set up and register a scheme

Why set up a scheme and register with HMRC?

Setting up a stand-alone death in service scheme, and registering it with HMRC can bring several tax advantages:

- Tax relief is normally available on the premiums you pay;
- Premiums are not treated as a benefit in kind for your employees; and
- Provided you set up the scheme using a discretionary trust and the Lifetime Allowance is not exceeded, lump sum benefits can normally be paid free of income and inheritance tax.

You can find more information on taxation in our Group Life Assurance and Dependents' Pension technical guide.

We'll ask you to confirm your Pension Scheme Tax Reference (PSTR) number when you ask us to cover your registered scheme.

How do I set up a new stand-alone death in service scheme?

You can set up a stand-alone death in service scheme in different ways. Normally an employer will set up a scheme for their employees using a discretionary trust.

We provide declaration of trust templates that include scheme rules. These not only set up the scheme but also set out the rules for how the scheme benefits should be paid. You can find these on our [website](#).

We suggest you take legal advice to make sure they are suitable for you.

I've set my scheme up, how do I register with HMRC?

You can register your scheme with HMRC online at hmrc.gov.uk.

If you don't already have online access with HMRC as a scheme administrator you'll need to register for this first. HMRC can take up to seven working days to set you up for this. Once you have this online access, you'll be able to apply to register your scheme. HMRC will give you a PSTR number at the end of this process.

HMRC have produced an [online user guide](#). This gives a step-by-step guide to registering yourself as a scheme administrator, and registering a death in service/group life assurance scheme.

Contact us



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