



Loan Charge Update - Personal Statement
Individual facing the Loan Charge - Form 2(a)

Loan scheme(s) used / operator(s)

PCL Prestige Benefit Trust

Approximate liability in £ (nearest £5K)

£85,000

Amount in £ of any money paid to HMRC so far e.g. APNs, Penalties (nearest £5K)

If your loan has been subject to recall demands :

Who is demanding repayment ?

How many months/years using loan arrangements

And for how much in £

2 years 1 month

Report of any action to date by and latest communication from HMRC

Latest order from HMRC was to instruct me to declare my Loans as Income on my tax return and admit to tax avoidance. I declared them in the white space as Loans on which no tax is due (as per the legal advice I received).

The personal impact (financially and in other ways) so far

I had planned to take an extended period of time out of work to support my eldest adopted son through his early/mid teenage years. The threat of the loan charge meant that I had to return to full time work and my wife also took a part time job as our future financial security has been totally undermined. Unfortunately this meant that, with the Coronavirus lockdowns restricting our son to home, our son found it very difficult to cope and we were not able to give him our full support which resulted in an adoption breakdown. Our eldest son is now 16 and living in local authority care but we do still care for our youngest adoptive son who is just 10 years old and less troubled.

The personal impact (financially and in other ways) if HMRC enforce the Loan Charge as laid down in the legislation

I will need to continue to work after my planned retirement age. I am 59 years of age now and need to rebuild my financial situation so that we are secure financially as a family. I do worry that I may not be able to support my youngest son fully as he enters his teenage years which can be difficult for any teenager, never mind a child who has lived in care, is adopted, and has suffered early life neglect and trauma.

The demand is for a substantial sum and as I was not working at the time of the required declarations of the loan it transpired that the 'favourable settlement terms' offered by HMRC amounted to more tax payable than paying the loan charge itself.