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[Department
for Environment
Food & Rural Affairs](#)

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Agency](#)

Guidance

How to apply for a lump sum payment to leave or retire from farming

Updated 30 November 2022

Applies to England

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The Rural Payments Agency (RPA) will manage the Lump Sum Exit Scheme.

You should read this scheme guidance before you apply for a lump sum payment. There are dates by which you must take action to qualify for lump sum payments.

1. About the Lump Sum Exit Scheme

If you're eligible, you can apply to the Lump Sum Exit Scheme until midnight on 30 September 2022. The scheme is not expected to open for applications in future years.

The scheme is for Basic Payment Scheme (BPS) applicants in England who wish to leave farming, either to retire or take up a different occupation.

Agricultural land, BPS entitlements and business activity in Northern Ireland, Scotland and Wales are not affected.

Once the lump sum payment is made, you will no longer be eligible for BPS payments or delinked payments (which are due to replace BPS in 2024) in England. You will also not be eligible to enter into new agreements (or add land to existing agreements) under some other schemes.

If you change your mind, you can withdraw your application without penalty by writing to us at any time before we pay your lump sum.

If you applied online, you can also withdraw your online application using the Rural Payments service.

You can [request a forecast statement \(https://www.gov.uk/guidance/request-a-forecast-statement-for-a-lump-sum-payment\)](https://www.gov.uk/guidance/request-a-forecast-statement-for-a-lump-sum-payment) now to find out how much you could receive as a lump sum payment.

2. Who is eligible

For your farm business, you must have either:

- claimed, and been eligible, for BPS payments in the 2018 scheme year or in an earlier scheme year
- inherited agricultural land in England, or succeeded to an Agricultural Holdings Act 1986 tenancy, after 15 May 2018

Before you receive the lump sum payment, you must do all of the following:

- transfer your agricultural land in England (but you can keep up to 5 hectares) or plant it with trees under a [woodland creation scheme](#)
- transfer grazing and pannage rights you have on [common land in England](#), if you have any
- give up [\(surrender\) your English BPS entitlements](#)

Once you receive the lump sum, you can still work as an agricultural contractor or for other farmers.

3. Transferring agricultural land

To receive the lump sum, you must transfer out the land in England which was agricultural land 'at your disposal' on 17 May 2021 - the BPS 2021 application deadline. This land will have been eligible for BPS.

Land was at your disposal if you were the:

- owner-occupier, farming the land yourself or employing a contractor
- tenant with a Farm Business Tenancy under the Agricultural Tenancies Act 1995 or an Agricultural Holdings Act 1986 tenancy (or equivalent)

'Agricultural land' means arable land (including temporary grassland and fallow land), permanent grassland or permanent crops used mainly for an agricultural activity. The definitions of arable land, permanent grassland, permanent crops and agricultural activity are the same as for [BPS \(https://www.gov.uk/government/collections/basic-payment-scheme\)](https://www.gov.uk/government/collections/basic-payment-scheme).

For this scheme, agricultural land does not include land used mainly for a non-agricultural activity on 17 May 2021, which made it ineligible for BPS.

If you claimed BPS 2021, the area of land you need to transfer should be the total of the 'Total maximum area eligible for BPS (ha)' figures shown in Part C of your BPS 2021 application.

3.1 Land you do not need to transfer

You do not need to transfer out:

- up to 5 hectares of that agricultural land
- agricultural land you plant with trees under a [woodland creation scheme](#)

As you only need to transfer out agricultural land, you do not need to transfer out:

- land parcels, or parts of land parcels, that were non-agricultural land on 17 May 2021 (such as woodland, even if this was eligible for BPS)
- any buildings - for example, if you own your farmhouse you can choose to keep it

If you do not own the farmhouse and want to stay in it as a tenant, you will need to negotiate this with your landlord.

The scheme does not have any rules about what you do with any land you keep, except that you cannot use it to [claim future BPS or delinked payments](#) or [claim under other schemes](#). This means you could still keep animals or grow crops on it.

4. How to transfer out the land

You do not need to transfer out all of the land at the same time or to the same person. Read the [sole trader](#) and [partnership or limited company](#) sections to find out who you cannot transfer land to.

4.1 Owner-occupier

If you are an owner-occupier of the land, you can transfer it out by:

- selling it
- gifting it
- renting it out under a Farm Business Tenancy with a minimum term of 5 years

The Farm Business Tenancy must not include break clauses which are based on a date, such as halfway through the tenancy, if this date is in the first 5 years of the tenancy. Other break clauses, such as in the event of the death or bankruptcy of the tenant, are allowed.

4.2 Tenant

If you are a tenant of the land, you can transfer it out by:

- surrendering the tenancy to your landlord or ending the tenancy having served a Notice to Quit on your landlord
- assigning the tenancy (transferring it to someone else) if your tenancy allows this
- succession - if you have an Agricultural Holdings Act 1986 tenancy with succession rights

Land also counts as transferred-out if:

- a tenancy expires
- the landlord ends a tenancy

4.3 Sole trader

If you are a sole trader, you cannot transfer the land to:

- your spouse or civil partner
- someone you are cohabiting with as a couple

You can transfer the land to anyone else, such as your son or daughter.

4.4 Partnership or limited company

If you claim the lump sum payment as a partnership or limited company (or other corporate body), you cannot transfer the land to a partner or shareholder in the business. This rule does not apply if only some partners or shareholders leave the business and meet certain conditions.

5. When you must transfer the land

You must transfer out the agricultural land and [provide evidence](#) of this by 31 May 2024.

If you choose to, you can transfer agricultural land before you apply for the scheme. If you have already transferred out, or started to transfer out, all or some of the agricultural land that was at your disposal on 17 May 2021, you can still apply for a lump sum if you meet the [transfer rules](#).

5.1 When you can ask for an extension

You can apply for an extension beyond 31 May 2024 if:

- you have an Agricultural Holdings Act 1986 tenancy with succession rights and the succession is due to be considered by a tribunal, arbitrator or court
- the land is part of a probate case

To ask for an extension, [contact RPA by post or email](#) with supporting evidence as soon as you know you will need one. For example, evidence that the succession of your Agricultural Holdings Act 1986 tenancy is with a tribunal.

Emails must come from addresses registered on the Rural Payments service with relevant permissions for the business. If a registered customer has died, their personal representatives should contact RPA .

5.2 If you have rights on common land

You may have a right to graze land in common with other farmers. This land may be registered as common land, or it may be other shared grazing, such as stinted or regulated pastures. We refer to this as common land in this guidance.

You must transfer out any rights to graze or rights to pannage that you hold for common land where these rights are one of the following :

- attached to the agricultural land you need to [transfer out](#)
- held in gross (are not attached to land) but relate to common land in England

For rights which are attached to agricultural land, if the rights are attached to more land than you will transfer, you must transfer a proportionate number of rights.

Example

If you have 50 rights attached to 10 hectares of land and you transfer 5 hectares, you will have transferred 50% of the land which the rights are attached to. You must therefore transfer 50% of your rights, which is 25 rights.

You do not need to transfer rights if they are:

- 'unquantified', which means they do not give grazing or pannage rights for a certain number of livestock, such as in the New Forest
- attached to a house or other building and not to agricultural land

If you own grazing or pannage rights which are attached to land, the rights and the land need to be transferred together. You can transfer them by:

- selling them
- gifting them
- leasing them for a minimum of 5 years

The existing law for rights of commons means rights which are attached to land cannot usually be leased separately from the land for more than 2 years on the same lease. This 2 year limit does not apply where the rights are being leased together with the land.

If you own grazing rights held in gross, you can transfer them by:

- selling them
- gifting them
- leasing them for a minimum of 5 years

If you have leased-in grazing or pannage rights, you can transfer them by:

- surrendering the lease
- assigning the lease (transferring it to someone else), if your lease allows this
- succession of an Agricultural Holdings Act 1986 tenancy if the grazing rights are attached to this

Rights also count as transferred-out if:

- a lease expires
- the landlord ends the lease

You must transfer the rights by 31 May 2024.

The restrictions on who sole traders and partnerships or limited companies can transfer land to also apply to rights on common land.

You can ask for an extension in the same circumstances as for [transferring your land](#).

6. Entering your land into woodland creation schemes

You can enter some or all of your agricultural land into woodland creation schemes instead of transferring it. These schemes are:

- any Nature for Climate Fund woodland creation scheme, such as the [England Woodland Creation Offer](https://www.gov.uk/guidance/england-woodland-creation-offer) (<https://www.gov.uk/guidance/england-woodland-creation-offer>) or [Woodland Creation Partnerships](https://www.gov.uk/government/publications/england-woodland-creation-partnerships-grants-and-advice-table) (<https://www.gov.uk/government/publications/england-woodland-creation-partnerships-grants-and-advice-table>)
- the [Woodland Carbon Guarantee](https://www.gov.uk/guidance/woodland-carbon-guarantee) (<https://www.gov.uk/guidance/woodland-carbon-guarantee>)

You must be accepted under the woodland creation scheme and have planted this land with trees by 31 May 2024.

7. Give up BPS entitlements

To receive a lump sum payment, you have until 31 May 2024 to:

- give up (surrender) all English BPS entitlements to RPA that you own which are not leased out
- confirm that you will give up any English BPS entitlements to RPA that you own which are leased out, with the surrender coming into effect at the end of the entitlements' lease (it doesn't matter when the entitlements lease ends)

You can ask for an extension in the same circumstances as for [transferring your land](#).

Entitlements that you have leased-in do not have to be given up to RPA, but your lump sum [may be reduced](#) if they are not given up.

To give up BPS entitlements, you need to fill in and send us a [Lump Sum Exit Scheme - entitlements and evidence form](#) (<https://www.gov.uk/government/publications/lump-sum-exit-scheme-entitlements-and->

[evidence-form](#)). RPA will use the information on this form to cancel the entitlements. If you have leased-in entitlements and the lessor (owner of the entitlements) has agreed to give them up, you should ask them to fill in and sign the relevant part of that form.

You do not need to do anything with any entitlements you have leased-in if they are not being given up to RPA. We will return these entitlements to the owner (the lessor) when we make your lump sum payment (or when the entitlements' lease ends if that is before we pay your lump sum).

You can use the entitlements to claim BPS before you give them up. To claim BPS 2022 you will need to hold entitlements on 16 May 2022. If you give them up after this date, it will not affect your BPS 2022 payment as long as you meet the BPS scheme rules. To claim BPS 2023, you will need to hold entitlements on 15 May 2023.

8. Partnerships and limited companies

If your business is a partnership or limited company, you need to apply to the Lump Sum Exit Scheme as a partnership or limited company, as you do for BPS. If all the members of the business are leaving, the partnership or limited company will need to meet the normal rules on transferring agricultural land and giving up BPS entitlements.

If only some members of the business want to leave or retire from farming, such as parents leaving the business to their children, the partnership or limited company can still apply for a lump sum payment as long as:

- a partner with 50% or more interest in the profits of the partnership, or two or more partners with a combined interest of 50% or more, leaves the partnership
- a shareholder with 50% or more equity share capital in the company, or two or more shareholders with a combined share of 50% or more, sells or gifts their shares
- the partners or shareholders leaving the business transfer the agricultural land used by that business if it is held, or partly held, in their name
- the partnership or limited company give up the business's BPS entitlements to RPA before the lump sum is paid

If these conditions have been met, the partners or shareholders who are leaving can transfer the agricultural land to the remaining members of the business. For example, if a tenancy is in the name of more than one partner, the tenancy needs to be changed to remove the partner(s) leaving the business. A land transfer is not needed if the agricultural land is not held in the name of the partners or shareholders leaving the business.

We will make the lump sum payment to the partnership or limited company. It is up to the partnership or limited company to decide how to allocate the money.

Examples

1. Farmer A and Farmer B, each have a 50% interest in the profits of the partnership and Farmer A wants to exit. Farmer A could leave the partnership and transfer the land to Farmer B, who could continue to farm the land.
2. Farmer A has a 30% interest in the profits of the partnership, Farmer B has a 30% interest and Farmer C has a 40% interest. Farmer A and Farmer B both want to exit. As their total interest is more than 50%, they can leave the partnership and transfer the land to Farmer C, who can continue to farm the land.
3. Farmer A has a 30% interest in the profits of the partnership and Farmer B has a 70% interest. Farmer A wants to exit. As Farmer A's interest is less than 50%, a lump sum cannot be claimed.

Once the lump sum payment is made, the remaining business cannot claim further BPS payments or delinked payments in England. They can:

- apply for any other schemes they are eligible for
- continue with existing scheme agreements, such as Countryside Stewardship (CS), if they continue to meet the rules for that scheme

9. Claiming future BPS or delinked payments

Applicants who receive a lump sum payment are not eligible for more BPS payments or delinked payments in England. Receiving a lump sum will not prevent you claiming BPS payments or delinked payments for any other businesses you are involved with, such as in the examples below.

Examples

1. If you receive a lump sum as a sole trader, you cannot claim future BPS or delinked payments as a sole trader. However, if you are also a partner in another business, and that partnership does not receive a lump sum, you could still claim BPS or delinked payments for that partnership.
2. If a partnership receives a lump sum, the partnership cannot claim future BPS or delinked payments. However, if a partner in that business also has a business as a sole trader, they could still claim BPS or delinked payments as a sole trader.

10. Existing scheme agreements and grants

Meeting the Lump Sum Exit Scheme rules and leaving farming may mean that you no longer meet the rules of other scheme agreements and grants you already have, such as Countryside Stewardship (CS) or the [Farming Investment Fund](#)

<https://www.gov.uk/guidance/farming-investment-fund>). In some cases, you may need to repay money you have received under those schemes.

Read the relevant sections if you have a [CS agreement](#), [Environmental Stewardship \(ES\) agreement](#) or have received money under a [woodland scheme](#).

If you have an agreement under another scheme or have received a grant that may be affected by you leaving farming, please contact the relevant administering body to find out what options are available to you.

If you are a member of a Fruit and Vegetable Producer Organisation (PO), please tell your PO that you plan to apply for the lump sum and ask them to contact RPA to discuss any impact on the PO.

10.1 Countryside Stewardship and Environmental Stewardship

If you have a CS or ES agreement, we encourage you to transfer your agreement to those taking on the land. This will mean that environmental benefits will continue on that land.

You should tell the person taking on the land about your agreement before you transfer the land. They may want to take the agreement on. You will not have to repay any money if you successfully transfer your agreement.

You should also tell RPA as soon as possible before you transfer your agreement land.

For CS agreements, you will not have to repay any money you received if you request to transfer your agreement. This applies to both EU funded and domestically funded CS agreements even if the new owner or occupier does not take on the agreement. It does not apply to CS Capital Grants.

For CS Capital Grants, you cannot transfer your agreement during the 2-year agreement period. If you sell or let all or part of the land under your Capital Grants agreement to another party, we will end the agreement on those land parcels. You may need to repay all or part of the grant payments you have already received.

For ES agreements, you may have to repay all or part of the money you received if the new owner or occupier does not continue with the agreement. Where a Higher Level Stewardship agreement naturally ends (including where no offer to extend your agreement has been made and where an extension has been offered but you have not taken it up), you would not have to repay any money received.

You should [write to RPA](#) if you want to end your CS or ES agreement, rather than transfer it to the new owner or occupier. You may need to repay all or part of the

payments you have received. Your obligations under the agreement do not end until we have received this repayment.

For details about transferring and ending CS and ES agreements, you should read:

- [information for CS agreement holders](https://www.gov.uk/government/collections/countryside-stewardship-information-for-agreement-holders)
(<https://www.gov.uk/government/collections/countryside-stewardship-information-for-agreement-holders>)
- [information for ES agreement holders](https://www.gov.uk/government/collections/environmental-stewardship-guidance-and-forms-for-existing-agreement-holders)
(<https://www.gov.uk/government/collections/environmental-stewardship-guidance-and-forms-for-existing-agreement-holders>)

10.2 Woodland schemes

You do not have to transfer land which was woodland on 17 May 2021 (even if it was used to claim BPS), because woodland is not agricultural land.

If you choose to transfer land which is in a woodland scheme, you should contact the relevant administering body. For woodland schemes managed by the Forestry Commission contact:

Bucks Horn Oak Administrative Hub (for counties in the east):

- South East and London
- East and East Midlands
- Yorkshire and North East

Telephone: 0300 067 4420

Email: adminhub.buckshornoak@forestrycommission.gov.uk

Bullers Hill Administrative Hub (for counties in the west)

- South West
- North West and West Midlands

Telephone: 0300 067 4960

Email: adminhub.bullershill@forestrycommission.gov.uk

You may need to repay all or part of the payment you have received under that scheme if:

- you end your agreement early
- those taking on the land do not agree to take on the obligations of the existing grant agreement

11. Applying for other schemes

If you are paid a lump sum, you will not be eligible to enter into new agreements (or add land to existing agreements) under the following schemes, unless you first repay the lump sum:

- [Sustainable Farming Incentive \(https://www.gov.uk/government/publications/sustainable-farming-incentive-how-the-scheme-will-work-in-2022\)](https://www.gov.uk/government/publications/sustainable-farming-incentive-how-the-scheme-will-work-in-2022)
- [some options under CS \(https://www.gov.uk/government/publications/lump-sum-payments-for-farmers-who-leave-or-retire-from-farming-and-delinked-payments/how-lump-sum-payments-affect-some-countryside-stewardship-options\)](https://www.gov.uk/government/publications/lump-sum-payments-for-farmers-who-leave-or-retire-from-farming-and-delinked-payments/how-lump-sum-payments-affect-some-countryside-stewardship-options) and some options under Local Nature Recovery

This is because these schemes (or options in schemes) are mainly on agricultural land and the Lump Sum Exit Scheme is for those people who are leaving farming. This rule applies during the rest of the agricultural transition.

Where only some partners in a partnership or shareholders in a limited company leave, the remaining partners and shareholders can apply to these other schemes without the lump sum having to be repaid.

You can apply for any other schemes you are eligible for, such as the [Future Farming Resilience Fund \(https://www.gov.uk/government/news/future-farming-resilience-fund-to-open-in-august\)](https://www.gov.uk/government/news/future-farming-resilience-fund-to-open-in-august) (until you stop claiming BPS and have left farming) or the [Farming Investment Fund \(https://www.gov.uk/guidance/farming-investment-fund\)](https://www.gov.uk/guidance/farming-investment-fund) (if you meet the rules of that scheme).

11.1 Taking over land from a lump sum applicant

If someone takes over land from a lump sum applicant, they can use that land to claim BPS if they have enough BPS entitlements, or if they buy or lease some from someone else.

They can also apply for payments available under new schemes that are being rolled out over the agricultural transition when they become available.

12. How the lump sum is calculated

The lump sum payment is based on a 'reference amount'.

12.1 Calculation of the reference amount

The reference amount is based on the average BPS payments made to your business for the BPS 2019, BPS 2020 and BPS 2021 scheme years. This includes any young farmer payment or greening payment.

We will add up your BPS 2019, BPS 2020 and BPS 2021 payments and divide by 3. We will include reductions applied for over-claiming land, but will ignore the following:

- over-claim penalties (which can be applied to BPS payments on top of over-claim reductions)
- reductions and penalties for not meeting the greening rules
- late application penalties
- penalties for not declaring all agricultural land parcels
- cross compliance penalties
- financial discipline reductions
- reductions to amounts above €150,000
- progressive reductions for BPS 2021

If you also claimed BPS on entitlements in Scotland, Wales or Northern Ireland, your reference amount will be based only on the part of your payment which relates to your English entitlements.

If we paid your BPS 2019 payment in euros, this will be converted to sterling using the exchange rate applied in the 2019 scheme year (€1 = £0.89092).

The reference amount will be capped at £42,500. This means that if your reference amount is £42,500 or less, you will not be affected by the cap.

12.2 Calculation of the lump sum payment amount

Lump sum payment (£) = reference amount (capped at £42,500) x 2.35

This calculation means that (except for farmers affected by the cap), the lump sum will be equivalent to the amount you could have received in Direct Payments for 2022 to 2027. This takes account of the announced progressive reductions for 2022 to 2024 and continued gradual reductions until the end of 2027. Read about [how farming is changing \(https://www.gov.uk/government/publications/future-farming-changes-to-farming-in-england\)](https://www.gov.uk/government/publications/future-farming-changes-to-farming-in-england).

Examples

1. If a farmer's reference amount is £40,000, their lump sum would be £40,000 x 2.35 = £94,000
2. If a farmer's reference amount is £50,000, their lump sum would be £42,500 (as the cap is applied) x 2.35 = £99,875

12.3 Reductions to the lump sum if you do not give up enough entitlements

Your lump sum payment will be reduced if you do not give up (surrender) enough English BPS entitlements to RPA, by value. For example, this could be the case if you have sold or leased out entitlements since you used them to claim BPS 2021. This is to avoid RPA paying twice, both under the Lump Sum Exit Scheme and BPS to another farmer, using entitlements you have transferred to them.

If you give up all the entitlements you used to claim BPS 2021 to RPA, your lump sum payments will not be reduced. This is shown in example 1.

Your lump sum will be reduced if Figure A is less than Figure B.

Figure A

This is the total value of English BPS entitlements you give up to RPA after 17 May 2021. It will not include any entitlements you lease out to other farmers after 17 May 2021, even if you give them up at the end of the lease. If you have leased-in entitlements and these are given up to RPA before your lump sum is paid, these will be included.

Figure B

This is the total value of English BPS entitlements you used to claim BPS 2021. If you did not claim BPS 2021, Figure B is the total value of entitlements you used in your most recent BPS claim in the 2019 to 2021 reference period.

We will use the BPS 2021 entitlement rates when working out Figure A and Figure B.

Example

If you claimed payment on 20 entitlements in the non-Severely Disadvantaged Area (non-SDA) for BPS 2021 scheme year, then the value of entitlements you used to claim BPS 2021 is:

Figure B: $20 \times \text{£}233.30 = \text{£}4,666.00$

For no lump sum reduction, the total value of entitlements you give up to RPA (Figure A) must not be less than Figure B, in this case $\text{£}4,660.00$.

This means you must give up entitlements with a total value of at least $\text{£}4,666.00$. So, for example, if you give up 20 non-SDA entitlements ($20 \times \text{£}233.30 = \text{£}4,666.00$), your lump sum will not be reduced.

If Figure A is less than Figure B, you will only receive a percentage of your full lump sum.

This is worked out as follows:

Lump sum percentage (%) = $(\text{Figure A} \div \text{Figure B}) \times 100$

Example

If you claimed payment on 20 non-SDA entitlements for the BPS 2021 scheme year, their total value was $20 \times \text{£}233.30 = \text{£}4,666.00$ (Figure B).

If you only give up 15 non-SDA entitlements to RPA, their total value is $15 \times \text{£}233.30 = \text{£}3,499.50$ (Figure A).

Lump sum percentage % = $3,499.50 \div 4,660.00 \times 100 = 75\%$

RPA will send you a [post application statement](#) to tell you what percentage reduction you could receive.

13. Claiming BPS in 2022 and 2023

You may wish to apply for BPS in 2022 as well as applying for the Lump Sum Exit Scheme. This will protect you if you then find that you are not eligible for the lump sum or cannot complete the transfer of your land in time.

To apply for BPS in 2022, you will need to meet the BPS scheme rules. You will need to have eligible land at your disposal, and hold BPS entitlements, on 16 May 2022. If you transfer land you have used to claim BPS before the end of 2022, it is still your responsibility to make sure the land:

- stays eligible for BPS for the rest of the year (or is withdrawn from your BPS application)
- meets the cross compliance rules for the whole year (unless the person you have transferred it to – called the transferee - applied for any rural payments, in which case they take over this responsibility)

If you are transferring land you have used to claim BPS in that year, you should make sure that any contract you have with the new owner or tenant is clear about what happens if:

- any of the BPS, or cross compliance rules are broken
- inspectors or field officers are refused access to the land

The same rules will apply if you claim for BPS in 2023.

If you receive a BPS 2022 or BPS 2023 payment and later meet the rules of the Lump Sum Exit Scheme, the value of any BPS payments made will be deducted from the lump sum due. Claiming both BPS and the lump sum payment will not lead to an overpayment if you meet the rules for BPS and the Lump Sum Exit Scheme.

14. Business changes since BPS 2018

There may have been changes to your business since BPS 2018 which affect the lump sum payment you could receive. This could affect whether:

- you meet the requirement to have claimed BPS in 2018 or earlier (unless an exception applies)
- the BPS 2019 to 2021 payments of a previous business can be included in the calculation of your reference amount

You must [complete the relevant forms \(https://www.gov.uk/guidance/eia-agriculture-regulations-apply-to-make-changes-to-rural-land\)](https://www.gov.uk/guidance/eia-agriculture-regulations-apply-to-make-changes-to-rural-land) to tell RPA about a merger or split if you did not do this at the time of the change.

14.1 New business

If your business has been given a new Single Business Identifier (SBI), we will normally treat it as a new business which cannot benefit from the BPS claim history of a previous business.

This means we will not take account of the previous business when checking whether you meet the requirement to have claimed BPS in 2018 or earlier and when [calculating your reference amount](#).

However, there are exceptions for inheritance cases, business mergers and business splits.

14.2 Inherited businesses or land

If you have inherited all or part of a business from a farmer who claimed BPS in one of the years 2019 to 2021, you can ask us to take that BPS claim history into account. To do that, you will need to tell us about the inheritance on your Lump Sum Exit Scheme application form.

Where part of a business has been inherited, the BPS 2019 to 2021 payments (before some [reductions and penalties](#)) made to the original business will be divided between the new businesses. This will be based on the split of the value of BPS entitlements transferred to each of the new businesses when the inheritance happened.

If you inherited agricultural land after 15 May 2018, you do not need to have claimed BPS in 2018 or earlier.

If a sole trader dies and the executor or administrator applies for the lump sum payment, this will be treated as the same business. Any lump sum payment which is due will be paid once RPA has been sent a grant of probate or letter of administration.

14.3 Merged businesses

If two or more businesses have merged since BPS 2018, the merged business can ask us to take the BPS claim history of the original businesses into account for the lump sum payment. To do that, the new business will need to tell us about the business merger on their Lump Sum Exit Scheme application form.

The reference amount for the new business will take account of the BPS 2019 to 2021 payments (before some [reductions and penalties](#)) made to all of the previous businesses. At least one of the people with shares in the new merged business must have had shares in one of the original businesses.

Example

Business A and Business B claimed BPS in 2018 and 2019 and merged to form a new Business C. Business C claimed BPS in 2020 and 2021. If Business C tells us about the business merger on their Lump Sum Exit Scheme application form:

- Business C will be treated as having met the requirement to have claimed BPS in 2018 or earlier
- the BPS payments (before some [reductions and penalties](#) made to Business A and Business B for BPS 2019 will be included in the reference amount for Business C

14.4 Split businesses

If a business has split into two or more businesses since BPS 2018, one or all of the new businesses can:

- apply for a lump sum payment
- ask us to take the BPS claim history of the original businesses into account – by telling us about the business split on their Lump Sum Exit Scheme application form.

When calculating the reference amount for the new business(es), the BPS 2019 to 2021 payments (before some [reductions and penalties](#)) made to the original business before its split will be divided between the new businesses. This will be based on the split of the value of BPS entitlements transferred to each of the new businesses when the business split happened.

Each new business would only qualify for a share of the BPS claim history if at least one of the people with shares in the new business had shares in the original business.

Example

Business A claimed BPS in 2018, 2019 and 2020 and then split into 2 new businesses (B and C). 60% of the value of business A's entitlements were transferred to business B and 40% to business C. Business B and Business C each claimed BPS in 2021.

Business C applies for a lump sum payment. If Business C tells us about the business split on their Lump Sum Exit Scheme application form:

- Business C will be treated as having met the requirement to have claimed BPS in 2018 or earlier
- 40% of the BPS payments (before some [reductions and penalties](#)) made to Business A for BPS 2019 and 2020 will be included in the reference amount for Business C

15. Becoming a partnership

If a sole trader has become a partnership since BPS 2018, we treat this as the same business and the Single Business Identifier (SBI) should be the same. This means the partnership can use the BPS claim history of the sole trader for the lump sum payment.

16. Tax treatment for lump sum payments

The government intends to introduce legislation to provide clarity that the Lump Sum Exit Scheme payments will be treated as capital in nature and will be subject to capital gains tax, or corporation tax in the case of incorporated entities. The existing capital gains reliefs will be available where the qualifying criteria are met.

The capital treatment will also apply to interim Direct Payments, which will be deducted from the lump sum payment amount once the scheme rules have been met. Income treatment will apply to Direct Payments if the qualifying conditions for the Lump Sum Exit Scheme are not met. Further guidance on timing and abortive transactions will be provided by HM Revenue & Customs (HMRC).

HMRC will consider whether any steps may be necessary to prevent capital treatment being applied where:

- transactions are undertaken which do not support the policy objective
- there is a possibility of tax avoidance

HMRC will provide more details when they are available.

17. How to apply for a lump sum payment

Before you apply to the scheme, you may wish to [request a forecast statement \(https://www.gov.uk/guidance/request-a-forecast-statement-for-a-lump-sum-payment\)](https://www.gov.uk/guidance/request-a-forecast-statement-for-a-lump-sum-payment) showing the lump sum payment you could receive.

After reading the scheme rules to check you're eligible, you can apply to the scheme through the Rural Payments service. You will need to have Full Business Permissions

to apply. You can apply until midnight on 30 September 2022.

17.1 Online applications

As a registered customer, log in to the [Rural Payments service](https://www.ruralpayments.service.gov.uk/) (<https://www.ruralpayments.service.gov.uk/>). You'll need your customer reference number (CRN) and password.

On the businesses and messages page, click on the relevant business and apply for the Lump Sum Exit Scheme in the left hand column.

You should then follow the on-screen 'Help' to complete your application. You may wish to take screen prints of the information you enter in your application before you submit it. Once you have pressed 'submit', you should see a message confirming that your application has been submitted successfully and you can print that page for your records.

17.2 Paper applications

If you cannot apply through the Rural Payments service, use the [application form on GOV.UK](https://www.gov.uk/government/publications/lump-sum-exit-scheme-application-form) (<https://www.gov.uk/government/publications/lump-sum-exit-scheme-application-form>). Follow the instructions on the application form.

18. What you'll get back after checks on your application

RPA will check your application and then send you a post application statement. We will check that you meet the requirement to have claimed, and been eligible for, BPS payments in the 2018 scheme year or in an earlier scheme year or qualify for an exemption.

The post application statement will give you an updated forecast of your lump sum payment, based on the latest data we hold for you. If you told us about a business merger, split or inheritance on your application form and this has changed your reference amount, this will be taken into account in your post application statement.

You must submit your supporting evidence to RPA before you'll get paid.

18.1 Provide supporting evidence

Fill in the Lump Sum Exit Scheme entitlements and evidence form to:

- show that you have transferred out your agricultural land in England or planted it with trees under a woodland creation scheme (where required)

- show that you have transferred grazing and pannage rights you have on common land in England (where required)
- give up English BPS entitlements to RPA

You will need to ask an agricultural valuer or a solicitor to fill in the certificate at the end of the form to confirm that you have:

- transferred your agricultural land in England or planted it with trees under a woodland creation scheme (where required)
- transferred grazing and pannage rights you have on common land in England, if you have any
- met the rules for partnerships and limited companies

You will need to give the agricultural valuer or solicitor evidence to show that you have done this.

The form explains more about who can complete the certificate and gives examples of evidence.

Submit the completed form and certificate to RPA by midnight on 31 May 2024. You can ask for an extension in some circumstances.

19. Payment

Once we have checked the supporting evidence you have provided, we will pay you any lump sum payment you are eligible for. We will send you a remittance advice and a claim statement showing the payment you have received.

20. Timetable for the Lump Sum Exit Scheme

Date	Information or action you need to take
2018	You must have claimed BPS in 2018 or earlier (unless you inherited agricultural land, or succeeded to an Agricultural Holdings Act 1986 tenancy, after 15 May 2018)
17 May 2021	Agricultural land that was 'at your disposal' on this date must be transferred or planted with trees under a woodland creation scheme (apart from 5 ha)
From February 2022	Request a forecast statement. RPA usually send forecast statements within 10 working days.

Date	Information or action you need to take
2022	Applications open. Once you have sent us your application, RPA will check it and then send you a post application statement.
16 May (midnight) 2022	BPS 2022 application deadline to avoid late application penalties to your BPS application (if you choose to submit one to protect you if you then find that you are not eligible for the lump sum or cannot complete the transfer of your land in time)
30 September (midnight) 2022	Applications close
From November 2022	Payments begin once the scheme rules have been met, including transferring your agricultural land in England (but you can keep up to 5 hectares) or planting it with trees under a woodland creation scheme/transferring grazing and pannage rights you have on common land in England, if you have any/giving up your English BPS entitlements to RPA
31 May (midnight) 2024	Last date for sending us a Lump Sum Exit Scheme entitlements and evidence form to show you have transferred your agricultural land in England (but you can keep up to 5 hectares) or planted it with trees under a woodland creation scheme/transferred grazing and pannage rights you have on common land in England, if you have any/given up your English BPS entitlements to RPA

21. Withdrawing a lump sum application

If you decide to withdraw your lump sum application, you can do so by letting us know in writing at any time before we pay your lump sum. We will write back to confirm once your application has been withdrawn.

If you applied online, you can withdraw online using the Rural Payments service. On the 'Apply for BPS or Lump Sum Exit Scheme and view status of your applications' screen, click the green 'Open' button for the lump sum application then click the green 'Withdraw my application' button, you will only see the lump sum application if you have 'Business Details: Full Permission' permissions.

22. Be aware of fraud

Fraudsters may target farmers who receive subsidy payments. Defra and RPA are aware that some customers have received emails, texts and telephone calls claiming to be from them. Links to a fake website designed to look like an authentic RPA or Defra online service are sometimes included in the message. We do not send emails or text messages with links to websites asking you to confirm your personal details or payment information. We strongly advise anyone who receives such a request not to open the link and delete the item.

Remember:

- never discuss your bank account details with someone you do not know
- Defra or RPA will not ask you to make a payment over the phone
- to delete any emails or texts you do not believe are genuine, and do not open any links
- to be cautious about what information you share externally, particularly on social media

Our main email addresses are:

- ruralpayments@defra.gov.uk
- rpa@notifications.service.gov.uk
- FETFEnquiries@rpa.gov.uk
- FETFClaims@rpa.gov.uk
- FTF@rpa.gov.uk

22.1 What to do if you suspect fraud

If you suspect an attempted fraud or feel you have been the subject of fraud, contact:

RPA's Fraud Referral Team

Telephone: 0800 347 347

Email: FraudInConfidence@rpa.gov.uk

Action Fraud (the UK's national reporting centre for fraud and cyber-crime)

Telephone: 0300 123 2040

23. Contact us

Rural Payments Agency (RPA)
PO Box 352

Workshop
S80 9FG

Email: ruralpayments@defra.gov.uk

Telephone: 03000 200 301

Follow us on Twitter @Ruralpay

24. More information

24.1 Complaints

You can complain to us in writing, by email or by telephone. Read the guidance about how to complain or appeal on GOV.UK.

24.2 The Farming Community Network

If you need any help or support, you can call the Farming Community Network (FCN). FCN provides free and confidential pastoral and practical support to farming families during times of stress and anxiety caused by problems related to the farming business or the farm household.

They run a helpline from 7am to 11pm every day of the year and are staffed by a team of volunteers who understand farming issues.

Call 03000 111 999 or email: help@fcn.org.uk.

Website: www.fcn.org.uk. (<https://fcn.org.uk/>)

Future Farming Resilience Fund (FFRF)

The FFRF provides free business support (and where appropriate personal health and wellbeing support) to farmers and land managers during the early years of the agricultural transition. This includes providing advice to BPS applicants who are considering leaving farming.

It does this by awarding grants to organisations who help farmers and land managers to:

- understand the changes that are happening
- identify how, what and when they may need to adapt their business
- access tailored support to adapt

The support is provided by organisations known and trusted in the farming community. It could be delivered in various ways, such as workshops supported by

experts or one-to-one advice.

The support is available, free of charge, and anyone who currently receives BPS is eligible to apply. If you are interested, please read [Get free business advice for your farm \(https://www.gov.uk/government/publications/get-free-business-advice-for-your-farm\)](https://www.gov.uk/government/publications/get-free-business-advice-for-your-farm), choose an organisation and contact them directly.

25. How we handle your data

The Department for Environment, Food and Rural Affairs (Defra) is the data controller for personal data you give to RPA. For information on how we handle personal data read the [RPA's personal information charter \(https://www.gov.uk/government/organisations/rural-payments-agency/about/personal-information-charter\)](https://www.gov.uk/government/organisations/rural-payments-agency/about/personal-information-charter).

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