

What is a SSAS and why have one?

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A Small Self Administered Scheme (SSAS) is a pension scheme normally set up by a limited company on a money purchase (or "defined contribution") basis. A SSAS is primarily set up by private and family run businesses for the benefit of the owner directors and family employees.

The members are appointed as trustees to have control and flexibility over the scheme's assets and investment choices. If all members are trustees, a SSAS benefits from many exemptions from pension legislation applicable to other pension schemes and so permits a greater range of investments and fewer administrative requirements than other occupational schemes.

A SSAS is registered with HM Revenue & Customs (HMRC) and so benefits from the usual generous tax reliefs afforded to pension schemes such as:

1. Company and personal contributions are deductible against tax
2. No income tax on allowable investments
3. No capital gains tax due on disposal of investments
4. A tax free lump sum on retirement
5. Tax free death benefits in the form of a pension or a lump sum on death before age 75*

*On attaining age 75 death benefits are taxed at the recipient's marginal rate of income tax.

There are rules and regulations laid down by HMRC relating to each of the above. We have the experience and expertise to guide you through these.

HMRC require at least one individual or company to be registered with them as the official Scheme Administrator. Our view is that the entity that "owns" the pension arrangement should act as the official Scheme Administrator and so this would be the client (as they are able to appoint new advisers). We can act as joint Scheme Administrator if this is required as this can make filing returns with HMRC more efficient.

Why a SSAS?

In addition to the usual tax exemptions available for pension arrangements, a SSAS can offer other benefits for entrepreneurial business owners, including:

1. Greater control and flexibility over retirement assets
2. Contributions can be made by more than one employer
3. Commercial property can be bought and leased back to your business (or any third party)
4. Loans can be advanced to your business
5. Investing in your company by buying an equity stake
6. Can act as a consolidation retirement vehicle where fees are not dependent on fund size

There are restrictions on transacting with you or your company - our consultants can advise you on these.

What does Barnett Waddingham offer?

Barnett Waddingham has managed SSASs for over 30 years and demonstrates commitment to the market place with one of the largest portfolio of SSAS schemes in the UK. We continue to set up new schemes and we are also being appointed to act for existing schemes, often where gaps have emerged in the service provided by the incumbent provider.

Our clients often cite having an allocated Client Manager – supported by a strong team of colleagues – as a reason why they like using us. Every client has a direct dial telephone number to their Client Manager, who looks after all aspects of work required on the SSAS – you won't be passed on to another team to deal with your queries.

A key role we provide is handling the annual administration required to operate a pension scheme. This includes record keeping, making various submissions to HMRC and handling member queries. In around 90% of cases we also act as Professional Trustee which provides an extra level of assurance for clients as we then get involved in most aspects to do with the pension scheme.

Our service is not just about doing administration. As expected, we also provide consultancy – though not regulated investment advice – and we are available for meetings as required. We also provide seminars across our locations and provide quarterly email updates for those who sign up to receive them.

Most of our services are conducted by telephone, post and e-mail. Clients may also sign up for BWebstream, an online service provided by Barnett Waddingham that allows online viewing access to the trustee bank account – if using our preferred bank – as well as secure messaging.

Is a Barnett Waddingham SSAS right for me?

Due to the bespoke nature of a SSAS there may be circumstances when a Barnett Waddingham SSAS is not suitable for you. Our SSAS is likely to be unsuitable for you if:

- The total fund value of the scheme is unlikely to exceed £200,000
- You do not have an existing trading business
- Not all members can act as trustees
- You cannot act as a joint Scheme Administrator with us
- You wish to establish a new scheme (or switch an existing scheme to us) with the intention of making a transfer to an overseas scheme shortly thereafter

We would, however, consider the particular circumstances of each enquiry on its individual merits before making a final decision.

Please contact your usual Barnett Waddingham Client Manager if you would like to discuss any of the above in more detail.

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www.barnett-waddingham.co.uk/ssas



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