

What is a SSAS and why use one?

Small Self-Administered Schemes (SSAS) are used by business owners to keep more control over the investment and administration of their pension monies.

They are less common than Self-Invested Personal Pensions (SIPPs) as SIPPs can be set up by any individual, not just those who own their own business. SSASs are not tied to a particular pension provider, though pension firms are available to offer trusteeship, expert guidance and administration services.

What is a SSAS?

A SSAS is a pension trust set up by a limited company or a partnership. SSASs are primarily set up by private and family run limited companies for the benefit of the owner directors and senior employees. The members are also trustees and so they have control and flexibility over the scheme assets and investment choices in a tax efficient environment.

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 from age 55 on retirement
5. a tax free lump sum on death before age 75

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.

Why use a SSAS?

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

1. purchasing commercial property to be leased back to your business (or third party)
2. providing finance to your business by way of an authorised loan or equity (subject to strict criteria)
3. pooling pension investments with your family or co-directors
4. managing the administration and investment of your pension monies more directly than, say, a SIPP

There are restrictions on transacting with you or your company - our consultants can advise you on these (see link overleaf).

What services does Barnett Waddingham offer?

We will:

- provide the governing trust documentation to establish the SSAS
- register the SSAS with HMRC and other authorities
- act as a professional trustee if required
- manage the online HMRC reporting portal
- maintain scheme records for the trustees
- offer a bank account with online viewing access
- provide technical support and assistance regarding the relevant rules
- keep trustees abreast of rule changes

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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