

DNS Associates Ltd

SSAS

Small Self-Administered Pension Scheme

Self-Administered Pension Schemes

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SELF-ADMINISTERED PENSION SCHEMES

Usually known as Small Self-Administered Schemes (SSAS) because they have a limit of eleven members, these are pension arrangements established by companies for their directors and senior staff. However, Other individuals who are not employed by the business can join as members of a SSAS.

The plans are set up using a Trust Deed and Rules and are registered with HM Revenue & Customs (HMRC). Each member is appointed as a Trustee to help control the operation of the pension scheme with the help of our professional trustee company. We provide all the administration services to allow your SSAS to run smoothly.

A SSAS will pay you benefits on your retirement or to your dependants on your death. The amount payable depends on a number of factors including the amount paid into the SSAS for you and the performance of the investments made with the pension fund. Neither of these is guaranteed and needs careful planning.

Pension saving in the United Kingdom is encouraged by tax incentives offered by the Government. Tax relief is granted on pension contributions paid, investments made by the pension fund and on retirement and death benefits paid out. These areas can be complex and can change over time. We therefore maintain a range of guidelines to help you with the detail. It is always important to check the current rules before taking any action.

NEW SCHEMES AND TAKEOVERS

Not only do we establish new SSAS arrangements for clients but we can also take over existing ones or convert insurance company Executive Pension Policies into a SSAS to benefit from wider flexibility and lower costs.

WHY SSAS?

Flexibility and control, together with the ability to pool the retirement funds of several key staff allows for a level of strategic retirement planning not afforded by other types of pension arrangement. Investment into the business itself by acquiring its trading premises, granting it commercial loans and acquiring minority shareholdings in the company are all popular investment strategies. Furthermore, the methods of funding a SSAS by contributions and transfers from other pension arrangements and drawing retirement or death benefits from it are unrivalled.

More than one company can participate in a SSAS by paying contributions for its members and members can join and leave as required.

YOUR PROTECTION

Our method of operating a SSAS ensures you are given the maximum amount of protection available. The legal Structure of a SSAS is a Trust where you act as a trustee alongside our trustee company. This separates your retirement fund from both your company and our trading company so if either should fail, your investments are protected from creditors.

Our role as Professional Trustee is very important and gives you protection in a number of ways.

By using a Trust your pension fund is also separate from your estate and is not subject to Inheritance Tax.

CONTRIBUTIONS AND TRANSFERS

Your SSAS is funded by contributions paid by the principal and any participating employers. The companies benefit from Corporation Tax relief on the contributions they pay. Members can also pay contributions themselves and claim tax relief through self-assessment.

There is a maximum amount of pension contribution that can be paid on your behalf each year and it is important not to exceed this.

You can also transfer other pension arrangements to your SSAS to benefit from the flexibility available or to consolidate your pension plans in one place. If you choose to do this, it is important to be careful you do not give up any valuable rights to retirement or death benefits that you have with the transferring plan.

Please note that from 6th April 2012, a SSAS may accept a transfer of Protected Rights or Guaranteed Minimum Pension in respect of your contracting out of the State Second Pension (previously known as SERPS).

Please see our guideline on pension contributions for full details of the rules and options available.

INVESTMENTS

Because the eventual benefits paid from your SSAS depend on the investment performance of your fund. It is very important to choose the right strategy.

Responsibility for the investment strategy lies with The members who are also Trustees. There is a very broad range of investment options open to you and as these may be complex and sophisticated we frequently work with your appointed financial advisers and investment managers to help deliver the most appropriate strategy.

Each SSAS has a bank account into which cash Payments are made and from which investments, benefits and expenses are paid. We provide banking facilities for this purpose. Each account pays a competitive rate of interest and enables us to provide an efficient service.

We will not restrict your investment choice although we do have a duty of care as a Professional Trustee and will therefore check investments before they are made in case we feel they may be subject to tax charges from HMRC or involve a level of risk or illiquidity that are not suitable for your specific circumstances.

We are an independent firm which means we are not tied to any particular investment provider and you are free to choose from the whole of the market.

It is possible to pool all investments of the pension fund so that each member benefits from their share of the total or to earmark certain investments for specific members so that their retirement benefits are based on the performance of those assets only.

GUIDELINES

We have guidelines available on the following investment subjects to help you with the details:

- Property
- Loans
- Unquoted shares
- Arranging investments
- Due diligence and suitability

ALLOWABLE INVESTMENTS

- Cash deposits
- Gilts and Corporate Bonds
- Unit trusts and OEICS
- Discretionary Fund Managers
- Quoted shares, including investment trusts, Exchange Traded Funds and REITs
- Shares quoted on AIM and PLUS markets
- Shares quoted on recognised overseas stock exchanges
- Insurance company managed funds
- Hedge funds and offshore funds
- Unregulated Collective Investment Schemes
- Secured loans to sponsoring companies
- Loans to unconnected parties
- Gold bullion
- Commercial property with borrowing if needed
- Traded futures, options and contracts for difference
- Structured products
- Shares in unquoted companies

TAXABLE INVESTMENTS THAT WE DO NOT ALLOW

- Residential property
 - Tangible moveable property
 - Art and antiques
 - Commodities
 - Fine wine
 - Spread betting
 - Trading activities
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RETIREMENT

When it is time to draw your retirement benefits, you are normally entitled to receive a tax free lump sum of a proportion of your fund. The balance of your fund pays you a pension and your SSAS offers you a number of options.

You can use your fund to purchase an annuity with an insurance company and there are many types to choose from. Alternatively you can draw your income from your SSAS fund while the balance remains invested. This can be done in a number of ways which offers you maximum flexibility in how your pension is paid.

You are also able to phase your retirement by drawing down benefits from your fund in stages. This allows you to scale down your involvement with the business over a period of time.

DEATH

When the inevitable eventually comes, your S SAS can pay out death benefits to nominated beneficiaries. As the fund is held as a Trust it does not form part of your estate and is not subject to Inheritance Tax. The amount and method of payment depends on the size of your Remaining fund and whether you die before or after retirement. There may be tax charges on the fund before it is paid to your beneficiaries.

Our guideline on retirement and death benefits provides full details.

FEES

Our costs for administering a S SAS are outlined in our Schedule of Fees. The fees can be paid from the SSAS fund or by the principal or participating employer. Where fees are paid by the company they qualify as a deduction against Corporation Tax and the VAT can be reclaimed.

Our fees are very competitive and offer a unique approach of being charged on a per member basis Which means our SSAS services are comparable in cost to a similar personal pension arrangement but with added flexibility.

There may be other fees associated with your S SAS Depending on what you choose to invest in, for example legal and valuation fees for commercial property, management and dealing charges for stockbroking and fund management accounts.

| TO PROCEED | | |
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| We will require additional items if you wish to do any of the following: buy a property, make a loan, buy unquoted shares, take retirement benefits or continue to take retirement benefits. | Item | ✓ |
| | Scheme Application | |
| | Member Application | |
| | Evidence of Identity | |
| | For a SSAS takeover, the items outlined in our Takeover Guideline | |

“The Government wants to foster a culture of saving in the UK. This means that saving has to become more flexible and attractive in order to encourage people to take greater responsibility for their financial future. Nowhere is this more important than in planning for retirement”.

HM Treasury July 2010.

We strive to offer you an unrivalled service involving relationship building so that we are familiar with you, your SSAS and how it operates giving you confidence in how your retirement savings are being handled.

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