

SMALL SELF-ADMINISTERED PENSIONS

The Considered Way Forward

The opportunity for Small-Self Administered Pension Schemes (SSASs) to play an important and effective role in family tax and legacy planning has never been better.

The Family Pension

For over forty years, a SSAS has been used by business owners to keep more control over the investment, administration and decision-making of their pension scheme.

The major pension changes of April 2015 have now put the spotlight back onto a SSAS as it has the potential of being one of the most tax-efficient vehicles available in family wealth planning.

Is This You?

- A director/shareholder of a family business?
- Perhaps you already have a SSAS but no one is talking to you about the planning possibilities?
- You have a SIPP and you are a director/shareholder of a family business?
- You are thinking of selling your business and you want to make the most of this opportunity, with your pension fund?

Why Hurley Partners?

Hurley Partners provides families and individuals with the careful management of their financial assets and the protection of their financial legacy. The directors have been advising on SSASs for over 30 years.

Trustee and full scheme administration services are provided by Hurley Trustee Services Limited. Advice on investments held in a SSAS is provided by Hurley Partners.

TRUSTEE SERVICES	STRATEGIC ADVICE
SCHEME ADMINISTRATION	INVESTMENT MANAGEMENT

What Is A SSAS?

A SSAS is primarily for shareholding directors in a small/family business. You can include other members of your family.

The members are also trustees and with the expert assistance of Hurley Partners, they have control over all aspects of running the scheme.

We believe that control is important to small businesses and in the context of a SSAS, the trustees make decisions (subject to HMRC regulations) on:

- admission of members
- investment strategy
- commercial property purchase and management
- arms-length dealings with the sponsoring company, such as loans and lease terms.

Why Have A SSAS?

Hurley Partners will establish the scheme on your behalf. We register the SSAS with HMRC. Both your SSAS and your company will benefit from the generous tax reliefs available.

The key advantages of having a SSAS, in addition to control, are shown in the table below.

- Company contributions are tax allowable;
- Investments grow tax-free with no CGT on disposal;
- Pooling investments with your family or co-directors;
- Commercial property can be acquired and leased back to your business;
- Making a loan to your business subject to rules;
- Flexible retirement benefits;
- Ability to cascade the fund down to your family and free of IHT;
- More cost-effective than multiple SIPPs for example.

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Investment Freedom

You are able to choose from a wider list of permitted investments, than in most other pensions. It is the Trustees who make investment decisions. Often our clients are guided by us and for most we manage their portfolio of stocks/shares/collectives.

The following are permitted investments:

- Shares in public and private companies
- Unit Trusts & OEICS and other collectives
- Commercial property and land *
- Loans to the sponsoring company *
- Cash/Bank deposits

* See below

Benefits To Your Company

As a result of the wider investment powers, your scheme can be a very useful addition to your company's overall financial strategy.

Many of our SSASs were originally established as the company wished to invest in commercial property. Making the acquisition in your pension fund takes the property and finance off the company balance sheet and into a tax-free environment.

Furthermore the SSAS can also borrow funds (up to 50% of its assets) to assist in the purchase of investments – primarily commercial property.

- Commercial property can be leased to your company, which pays a commercial rent to the pension fund. This is tax deductible. In the hands of the SSAS, rent received is tax-free income.
- The SSAS can make a loan on a commercial basis to your company. The SSAS benefits from tax-free interest receipts and your company gets tax relief on the interest paid
- Family members employed by the company can be members of the SSAS and build up their own funds.

Contributions And Retirement Benefits

Your SSAS is an Occupational Pension Scheme. HMRC rules apply to contributions, lifetime allowance and tax relief. We will advise you on this in advance of any company or individual contributions, usually in conjunction with your accountant or adviser.

Members will be entitled to a tax free lump sum of up to 25% of their allocated fund from age 55 (the minimum age is changing). Since April 2015 the rules on drawing income and what happens to benefits on the death of a member, have radically changed.

Your SSAS with Hurley is designed to let you take full advantage of these opportunities:

- Flexible access to your pension allowing you to draw 'income' in a tax-efficient way;
- Allowing you to decide how you would like your pension funds to be applied on your death. This allows a SSAS to retain more funds and potentially incur significantly less tax for the benefit of your remaining family.

SSASs and SIPPs

There are some important advantages a SSAS has over a SIPP, the main ones being:

- Generally easier property transactions;
- Ability to make loans to your company;
- You are the trustees and have control;
- Lower costs and VAT savings possible.

Can we help?

If you would like to learn more contact:

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