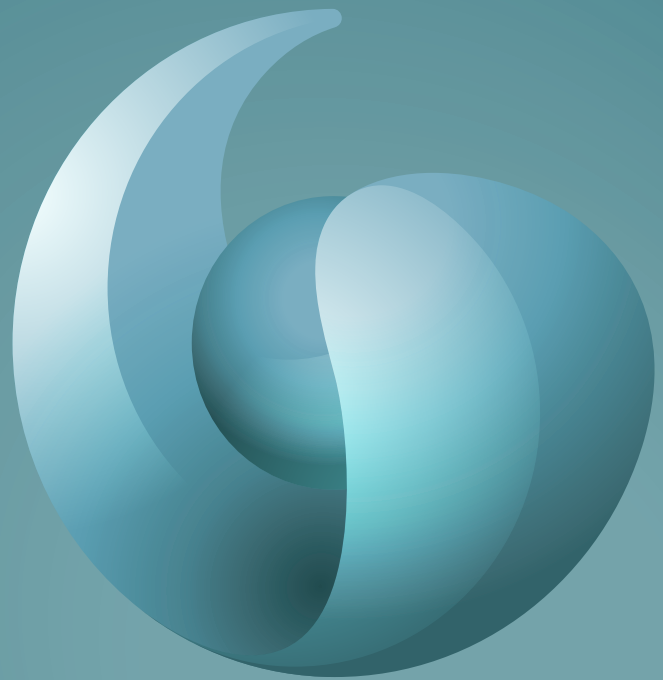


# The SSAS

Key Facts and FAQ



## What is a SSAS?

The Small Self Administered Scheme (SSAS) is an occupational pension scheme that offers a tax-efficient platform for pooling funds, saving, and investing. The SSAS is established by way of a Trust Deed, with a trading UK-registered limited company usually known as the principal employer (Principal Employer), sometimes also referred to as the sponsoring employer or participating employer. The Principal Employer's directors and employees, along with their spouses and/or children, can join the SSAS as members. A SSAS is set up with fewer than 12 members. An individual Trust Deed will be drawn up for each SSAS that is established.

## The legal framework of a SSAS

- Established by Trust Deed and governed by the Trust Deed and the Rules as attached to the Trust Deed.
- Must be registered with HM Revenue and Customs (HMRC) and comply with HMRC's regulations.
- Trustees hold the assets of the SSAS on behalf of the members.

## A SSAS member

- A SSAS member is someone who participates in the pension scheme and is able to receive retirement benefits from the scheme.
- Members are usually company directors, employees, or family members of the business owners.

## A SSAS trustee

A SSAS trustee can be a professional trustee (sometimes referred to as the independent trustee) or an individual trustee of the scheme. Trustees are legally responsible for managing the scheme's assets in line with the SSAS Trust Deed and HMRC rules.

## A SSAS member trustee

- A member trustee of a SSAS is an individual who is both a member of the pension scheme and a trustee of the scheme's assets.
- Most SSAS members are also trustees of the scheme. These can be referred to as member trustees. It is usually recommended that all SSAS members should also be trustees of that scheme because 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.

## Key Responsibilities of the SSAS trustees

- **Investment Decisions:** Trustees have control over how the pension fund is invested, including in commercial property, loans to the sponsoring employer, and other HMRC-permitted assets.
- **Scheme Governance:** They must ensure the SSAS operates within the rules set out by HMRC and The Pensions Regulator.
- **Fiduciary Duty:** They must act in the best interests of all members of the scheme, not just themselves.
- **Unanimous Decisions:** In most SSAS setups, all trustees must agree on investment and administrative decisions.

## Is the SSAS regulated?

Yes, a SSAS is regulated and governed by the rules of The Pensions Regulator and registered with HMRC. A SSAS is not regulated by the Financial Conduct Authority.

## What can the SSAS invest in?

The SSAS allows funds from all members to be pooled for investment purposes, or certain assets can be earmarked to specific members.

The SSAS can invest in a wide range of assets including:

- Cash deposit accounts and fixed term deposits.
- UK-based commercial land or property.
- Insurance company funds.
- National Savings & Investments.
- UK quoted stocks, shares, gilts, and debentures.
- Unquoted shares.
- Futures and options relating to shares quoted on a recognised stock exchange.
- Hedge funds.
- Fund platforms, wrap accounts, and stock brokers.
- Discretionary fund manager accounts.
- Secured loans to sponsoring companies of up to 50% of the fund value.

## What the SSAS cannot invest in?

- Residential property.
- Any sort of tangible, moveable property.
- Gold bullion.
- Loans to third-party companies or individuals.

## What are the benefits of a SSAS?

- Income tax relief on personal contributions.
- Corporation tax relief on employer contributions.
- Access up to 50% of the fund's net asset value for reinvestment into the business.
- Borrow up to 50% of the fund's net asset value to buy commercial property.
- Enjoy complete flexibility on the frequency and payment of employer contributions.
- Hold a wide range of assets aligned to the iPensions Group investment policy.
- Enjoy flexible withdrawals aligned to UK pension legislation.
- Benefit from significant tax advantage.
- Drawdown income from the age of 55.

## How is the SSAS funded?

Each member of the SSAS has the option to transfer any existing pension(s) into the SSAS, and each member can make additional personal contributions to the SSAS. The Principal Employer can also make contributions to the SSAS on behalf of one or more of the SSAS members. Contributions must be made in line with current HMRC Annual Allowance and Carry Forward regulations.

The allocation of funds within the SSAS is recorded by way of a fund split to monitor each member's share of the SSAS. Each member's percentage share of the SSAS will depend on how much they have put into or taken out of the SSAS.

## Taking benefits from the SSAS:

Retirement options become available to members from the age of 55. Retirement options include:

- Up to 25% Pension Commencement Lump Sum (PCLS) – currently capped at £268,275.
- Flexi-access drawdown.
- Uncrystallised fund pension lump sum.
- Annuity purchase – via a third party provider

Members should provide an Expression of Wish to set out how they want any unused pension to be distributed after their death, but payments to beneficiaries are payable at the discretion of the trustees of the SSAS.

## How do I set up a SSAS?

Please contact the team on 0161 9722 840 or email [ssas@ipensionsgroup.com](mailto:ssas@ipensionsgroup.com) for further information or if you have any questions.