Pension Planning... with jch:investmentmanagement

Access cash or buy property with a Small Self Administered Pension Scheme?

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A SMALL Self Administered Pension Scheme (SSAS) allows company directors to maintain compete control of their pension funds with maximum flexibility and tax efficiency.
SSASs are ideally suited for small to medium sized limited companies (though also used by Partnerships) and don't require a third party provider like an insurance company as the company sponsors the SSAS instead.

Company pension contributions can be varied in line with profitability and the trustees/members can invest the scheme funds in a wide range of assets including:
Commercial property and land
Cash deposits, equities (including the company's own shares) and fixed interest securities
The SSAS can borrow up to 50% of the Scheme assets to help purchase for example a new commercial property or indeed can lend up to 50% of the Scheme's assets to the company for any purpose (up to 100% to an unconnected third party).

Tax efficiency:
Company contributions qualify for corporation tax relief
Investment income and gains (other than dividend income) are generally completely free of any taxes
25% of the Fund can paid out as a tax free lump sum from age 55 (or 100% of the Fund on death before age 75, currently post age 75 at the beneficiaries income tax rate when drawdown)

The administration fees can be paid by the company, are tax deductible, and therefore leave the maximum amount in the pension
The whole fund can be "inherited" by your beneficiaries and drawn down in stages tax free at any age, or left to cascade down the generations.

How does a SSAS work?
Contributions can be paid in by both the members and the company into the Scheme bank account.
Other pension funds can be transferred in, in cash and/or other acceptable assets like property.
By pooling contributions together members may obtain greater investment opportunities.
The maximum number of members is 11, though in our experience most SSASs are for the family members of the company or business partners usually up to four.

A pension is a long term investment and the fund may fluctuate and can go down depending on the investment type. Your eventual income may depend upon the size of the fund at retirement, future interest rates and tax legislation. The value of investments and income from them can go down and you may not get back the original amount invested.

jch: investment management is regulated by the Financial Conduct Authority reference 610812.

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