

SSAS AND PROPERTY INFORMATION

Small Self-Administered Schemes (SSASs)

In recent years there has been a much larger focus on SIPPs than SSASs. However, there are still a large number of SSASs around, many of which were set up in the 1980's and 1990's. At the same time, many SSAS providers have either pulled out of the market, significantly increased their fees, and/or withdrawn from offering professional trustee services.

We would like to remind advisors that we continue to offer a SSAS administration service, together with, where required, professional trustee services. This is via a totally independent trustee company, Specialist Trustees Ltd.

We also employ specialist SSAS staff.

And best of all – our fees are very competitive. We make no take on charge for an existing SSAS. Our annual administration fee is £950 + VAT. If trustee services are required via Specialist Trustee Ltd, the extra fee is £250 + VAT per year. These fees cover most day to day activities. If you would like our full SSAS fee list (essentially we only normally charge extra for loans, property and benefit calculations) or would like to talk to us in more detail about our SSAS services, please just contact us.admin@mw pensions.co.uk

Why have a SSAS rather than a SIPP?

This is something every advisor should consider for their clients. Factors that should be considered include:

- a. A SSAS has its own trust, which may appeal to some clients who prefer to have a “family” pension scheme
- b. A SSAS (but not a SIPP) can lend money to a connected company (provided that company is a Participating Employer in the SSAS). Any such loan must be secured, be for genuine commercial reasons (not to prop up an ailing company) and be on normal commercial terms. But with banks continuing to be difficult when it comes to lending to small businesses, SSAS lending may be more viable. The SSAS trustees need to be cautious and prudent with regard to any such lending and that is an advantage of using Specialist Trustees Ltd, as they have fiduciary duty of care to the scheme members, and clearly have no conflict of interest with the employer..
- c. Normally a SSAS will have higher fees – but if say there are 4 family members, a SSAS might be cheaper than a SIPP.

Property and pensions

Commercial property has always been a popular investment with both SSASs and SIPPs. Many advisors feel a little uncomfortable dealing with property purchases on behalf of their clients, simply because it is not their day job and is an area in which they may have little direct experience.

We have specialist staff who deal solely with property investments, and indeed we have recently recruited an additional member of staff for this team. They are happy to help assist advisors and their clients with any property investment.

In many ways property and pensions are natural bedfellows, because they are both long term in nature and the illiquidity of property is not usually an issue for a pension scheme where, even if benefits are being paid out, there are often other assets that can be used to provide the liquidity required for those payments – but obviously this will need careful monitoring by the advisor.

There are numerous potential pitfalls when a direct property investment is made, for both members and their advisors. Our staff are happy to help with these.

This can include:

- Assisting with arranging a suitable independent valuation from a RICS surveyor of the proposed purchase or sale price where there is a connected party;
- Assisting with arranging a suitable RICS independent rental valuation;
- Liaising with the vendor's and purchaser's solicitors;
- Ensuring that the purchase meets the legal requirements set out in the SSAS or SIPP Trust Deed and Rules;
- Ensuring there is a suitable ongoing property manager in place;
- Assisting with dealing with any actual or potential rent arrears;
- Assisting with arranging lease or rent renewals, liaising with solicitors and surveyors as required.;

Our property fees are competitive, fixed and agreed in advance. If you want any further details, please do contact us.

We do not give financial advice and no comments here are intended as such. The above information is based on our understanding of the legislation governing pensions at the time of writing. Before taking any action you should consult a qualified financial and/or tax adviser. Levels, bases of and reliefs from taxation may be subject to change.

This Newsletter is intended for professional advisors only, not members of the general public

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