THE IFGL SSAS
GENERAL GUIDE

Small Self-Administered Schemes (SSASs) are a type of Occupational Pension Scheme typically used in the UK by owners/directors of Small and Medium-sized Enterprises (SMEs) who like the idea of having more control over their own pension arrangements.

A SSAS is established under an irrevocable trust by a UK-registered company (the Scheme's Principal Employer) so that assets within the scheme are held by a separate legal entity. In the normal course of things, this means SSAS assets are usually safe from Creditors of the SME.

As a UK Registered Pension Scheme, a SSAS benefits from a number of tax advantages:

- Employer contributions are deductible against corporation tax
- Investment income is not chargeable to income tax
- Any gains made upon the sale of an asset are not chargeable to Capital Gains Tax
- A tax-free lump sum (generally 25% of a "Member's Fund") is payable on retirement
- Benefits on death before age 75 can also be paid free of tax

The perception of increased control comes from the fact that the Members of a SSAS will all be appointed Trustees and play a mandatory part in the Scheme's investment strategy.

Increased investment flexibility is provided through a SSAS via the following investments:

- Cash deposits
- National Savings and investment products
- Stocks and shares traded through regulated exchanges
- Regulated Unit Trusts and Collective Investment Schemes
- Real Estate Investment Trusts
- Investment Grade Gold Bullion traded via recognised exchanges (e.g. The Royal Mint)
- Commercial property, with the assistance of a commercial mortgage if required
- Loans to the principal and participating employers

Please refer to IFGL Pensions' separate Information Sheets on Commercial Property and Section 179 Loanbacks for more information on these popular permitted investments.

Although there are no official restrictions on investments within a SSAS, certain assets (referred to in legislation as "Taxable Property") will incur punitive tax charges if acquired through a SSAS. These include "traditional" residential property (e.g. houses, flats and apartments), plant and machinery and things such as fine wines, yachts and classic cars.

A SSAS is designed to have fewer than 12 members, all of whom will be appointed Trustees alongside IFGL Pensions SSAS Trustees as the Professional Trustee. SSAS assets are held in the Scheme for the common benefit of all members, although specific assets can be earmarked if required.

Each member is subject to Lifetime and Annual Allowance limits and has their own “Member’s Fund” from which benefits are paid, i.e. a tax-free Pension Commencement Lump Sum (normally a maximum of 25% of their “Member’s Fund”) and a pension upon retirement at, or after, age 55, together with lump sums and/or pensions to nominated beneficiaries upon death.

Available tax concessions include corporation tax relief on employer contributions, Income Tax relief on investment income, Capital Gains Tax relief on asset disposal, tax free benefits upon death before age 75 and a general expectation that death benefits will not attract Inheritance Tax when paid at the Trustees’ discretion.

A SSAS is regulated in the UK by The Pensions Regulator and, as a Registered Pension Scheme, it is also subject to HMRC rules and compliance with Finance Act 2004, as amended. IFG Pensions Limited is a member of the Association of Member-Directed Pension Schemes (AMPs).

Having first been established in the 1970s, a SSAS continues to be the pensions planning vehicle of choice for UK owners/directors, their families and key members of their staff.

The information provided in this document does not constitute advice to clients or any third party and no responsibility will be accepted for any loss occasioned directly or indirectly as a result of persons acting, or refraining from acting, wholly or partially in reliance upon it other than for its intended purpose.

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