Carey Pensions UK

SSAS
SMALL SELF ADMINISTERED SCHEME

Defined Benefit Small Self-Administered Scheme

A Product Overview

Carey Pensions UK are proud to include a defined benefit 'DB SSAS' among our range of occupational pension vehicles. Our DB SSAS is one of only a handful of comparable schemes and unlike a common 'money purchase' scheme, it offers a defined level of scheme pension for members at the scheme's normal pension age.

The scheme is designed for employers who want to maximise the provision of pension benefits for directors and other key employees in a given year.

Key Features	
Customer	Designed for use by business owners for themselves and their employees
Tax status	A registered pension scheme as defined under paragraph 153 of the Finance Act 2004
Scheme type	Established as a discretionary trust
Member limits	Fewer than 12 members
Trustees	All scheme members must be appointed as trustees. In addition, Carey Pension Trustees UK Limited will be appointed to serve as an independent trustee.
Scheme administrator	Carey Pensions UK LLP
Investment advisor	The client's own professional adviser or other suitably qualified individual chosen by them.
Scheme actuary	Geoff Arnold (FIA) at Trust Actuarial Limited
Contributions: Determined by Initial Fund Calculation by Scheme actuary and ongoing actuarial reviews	
Employer	Employer contributions will be determined to those calculated by the scheme actuary for an appropriate level of annual pension and will be detailed in the member's benefit schedule. Contributions may not exceed the funds required to provide the maximum annual pension accrual in a given tax year. Tax relief will be received in the year contributions are made provided they are wholly and exclusively for the purpose of the employer's trade.
Member	Member contributions are not allowed at this time

Transfers	Any transfers from an occupational scheme must be with professional advice Transfers from other registered pension schemes either as cash transfers or existing investments (in specie) are acceptable with the approval of the Trustees. Either the whole scheme can be transferred (in effect new corporate trustees and administrators are appointed by the member trustees) or individual scheme members can transfer their benefits. In some cases, capital gains tax or value added tax may be payable on the transfer of an asset in specie. Always check with your professional adviser before an in specie contribution is made. In specie transfers may incur stamp duty. In return for the transfer value, the scheme actuary will advise on the level of scheme pension payable from the scheme's normal pension age.
Allowable investments	Bank and Building Society accounts UK commercial land or property Borrowing Insured policies Managed funds (including investment trusts, unit trusts and OEICs) Quoted and unquoted stocks and shares (including an investment of up to 5% of the scheme value in the 'sponsoring' employer) Contracts for Difference Traded endowment policies Hedge funds Venture capital trusts Enterprise Investment Schemes Exchange Traded Funds Futures and options A loan to the sponsoring employer
Investments that would incur tax penalties	Residential property or land Tangible movable property such as art, antiques, wine, jewellery, classic cars, racehorses etc.
Asset holding	Assets are held in the name of the member trustees and Carey Pension Trustees UK Limited. The assets do not form part of the sponsoring employer's assets.
Borrowing	Borrowing of up to 50% of the net fund value of all scheme assets is allowed.
Loans	Loans made from the scheme assets are permitted and must be commercial, secure and prudent

	Loans to the principal or participating employer must be secured with a first charge against assets with a greater value than the capital and interest payments repayable over the full term of the loan. Loans may also be made to third parties but it is not possible to make loans to the member trustees or anyone connected to them. This means that a scheme established by a self-employed business owner may not lend money back to their business.
Member's benefits	A member's benefits may be taken, in whole or in part, at any time from age 55. Upon commencement of taking benefits, the member is entitled to take a cash free lump sum, limited to 25% of the lifetime allowance. The remaining funds can then be used to fund the member's retirement, subject to income tax, from a range of flexible options available to them, including Scheme Pension or the purchase of a lifetime annuity.
Death benefits:	
Before taking benefits	Before the member is age 75, a lump sum death benefit, limited to the lifetime allowance, can be paid tax-free to the member's named beneficiaries. From age 75 all lump sum death benefits are taxed at 55% (45% from April 6th 2015) Further, subject to the member's benefit schedule, a dependant's pension can be provided. The dependant's pension is subject to income tax.
Whilst taking benefits	A lump sum death benefit, calculated by the scheme actuary, can be taken by the member's beneficiaries, subject to 55% tax.

Notes on the scheme

Schemes that breach the investment rules, make illegal payments, or pass assets of liabilities to connected parties outside of the rules, will be subject to a tax charge or penalties from HMRC, or both.

All transactions must be commercial and at arm's length and in most cases an independent valuation will be required.

Before making a contributions or transferring benefits to a scheme always refer to your professional adviser as any protection of existing benefits may be affected.

The information contained in this document is based on our understanding of current pension law and taxation and is correct at the time of publishing.