

# A GUIDE TO SSAS

APRIL 2011

## CONTENTS

Introduction	1
Barnett Waddingham	1
Administration	2
Contributions	2
Transfers	4
Investments	4
Retirement Benefits	7
Death Benefits	9
Disclosure	9
Further Information	9

# INTRODUCTION

## What is a SSAS?

A Small Self-Administered Scheme (SSAS) is a particular type of pension scheme that is often used by business owners as a means of saving for retirement whilst retaining more control over the use and investment of monies than is usually the case in other types of pension arrangement.

A SSAS is often used as a more flexible alternative to a Self-Invested Personal Pension (SIPP) plan, particularly where there is likely to be more than one person saving for retirement.

## How is a SSAS structured?

A SSAS is a specific form of trust, established by an employer, which meets the requirements of a Registered Pension Scheme as defined by HM Revenue & Customs (HMRC) under the Finance Act 2004 (as amended from time to time). This allows it to have the same favourable tax treatment as any other registered pension in the UK.

A SSAS is usually, but does not have to be, set up on a money purchase basis. This means that the benefits paid to its members are based on the value of their accrued funds built up as a result of contributions, transfers in and investment returns received on those monies.

One important feature of a SSAS is that its members would typically all be trustees and can direct how their pension monies are invested, within certain parameters. This means that a SSAS has certain exemptions from pension legislation applicable to other pension schemes and so permits a greater range of investments and less administrative requirements than other occupational pension schemes.

## What makes a SSAS different from other pension schemes?

If all members are trustees, they are more involved in the day-to-day administration of the pension scheme, which is why SSASs are termed "self-administered".

A SSAS may interact with the sponsoring employer(s) in a number of ways. The trustees may lend money to; lease commercial property; own an asset with; even own shares in a sponsoring scheme.

A SSAS is not tied to a particular provider: it is a scheme in its own right and the trustees can choose where to invest their monies, who will prepare financial statements and how to operate benefit payments.

## Who can have a SSAS?

A SSAS is set up by an employer, usually for its business owners, directors or key personnel. Although there is no lower or upper age limit for members, there is a minimum age of 18 in order to act as a trustee. An employer can set up more than one SSAS.

# BARNETT WADDINGHAM

## Tell me about Barnett Waddingham LLP

Barnett Waddingham LLP is the UK's largest independent firm of actuaries, administrators and consultants. We have a team of over 30 SSAS specialists, spread over five offices: Amersham, Cheltenham, Glasgow, Leeds and Liverpool.

## What does Barnett Waddingham offer to SSASs?

We offer bespoke services for SSASs. We can meet with businesses interested in setting up a SSAS and their advisers, provide the trust documentation and other paperwork to establish the SSAS, register it with HMRC, provide a professional trustee to act alongside the member trustees, manage the day-to-day administration, organise retirement and death benefits and close down the scheme once it has served its purpose.

## What are your fees?

We generally charge on a time-cost basis, though there is a fixed fee for setting up a trust and a minimum annual fee where we act as professional trustee.

These fees are reviewed each year in June and the latest fee sheet can be downloaded from our website, at [www.barnett-waddingham.co.uk/ssas](http://www.barnett-waddingham.co.uk/ssas)

Our charges would normally be met by the sponsoring company but fall upon the SSAS if the company fails to pay, or if there is no such company. Alternatively, the SSAS can meet the fees from the outset if this is desired.

## What is your commitment to SSASs?

We have been involved in the self-invested pensions market for the whole of our 20+ year history and we remain a strong supporter of such pension arrangements. We continue to manage one of the largest portfolios of SSASs in the UK.

## Can you provide investment or financial advice?

Whilst Barnett Waddingham LLP cannot provide regulated investment or financial advice concerning a SSAS to either the trustees or the members, our associated company, Barnett Waddingham Investments LLP, may be able to help. Please ask for further details if you are interested.

We are also happy to work with other professional advisers to implement investment decisions.

# ADMINISTRATION

## How do I set up a SSAS?

Trust documentation is required which the employer and initial trustees will need to sign. We will provide this for you.

The trust will need a bank account to receive monies and we can also help with this.

The trust will need to be registered with HMRC before contributions or transfers are received. We will arrange this as part of the set up process.

## Who can I appoint as trustees?

We recommend that all members be appointed as trustees and that you also appoint our professional trustee company. Although this is not mandatory, the member trustees are likely to be lay persons so it helps to have a trustee who is aware of the specific requirements that apply to pension trusts and ensure that any legislative changes are enacted swiftly and correctly.

## What work is involved in running a SSAS?

The trust finances have to be managed, meaning that the trustees are responsible for dealing with income, expenditure and investment transactions.

Further, there are specific reporting requirements that apply to pension trusts, such as notifications to members, reports to HMRC and dealing with the Pensions Regulator.

## Who would perform the day to day management?

The Scheme Administrator would deal with day to day management. The Scheme Administrator can be any person or company but it is usual for the trustees to carry out this role, which they may delegate to a managing trustee or a professional trustee.

## How do I know what my pension fund is worth?

The trustees should ensure that there are financial statements prepared every year setting out how much the fund is worth in total, and supplement this by allocating the total fund between the members. We can assist with the calculation of the allocation. The financial statements can take the form of a simple balance sheet, more formal accounts or even audited accounts depending on the trustees' requirements.

In between accounting periods, the Scheme Administrator can commission informal updates.

## What if my circumstances change?

Any member can transfer their assets to another pension scheme or buy an annuity with their fund if they no longer want to be part of a SSAS.

The SSAS itself can be wound up once all members' benefits have been transferred elsewhere or secured by the purchase of an annuity contract.

There are costs involved in closing the trust and reporting its closure to the various interested parties.

## Where can I find out more about HMRC requirements?

HMRC issues an online manual at [www.hmrc.gov.uk/manuals/rpsmanual](http://www.hmrc.gov.uk/manuals/rpsmanual).

This manual provides information for scheme members, scheme administrators, sponsoring employers and more technical details. The manual provides a useful starting point but is not always kept up-to-date.

More general information can be found at the HMRC pension schemes website at [www.hmrc.gov.uk/pensionschemes](http://www.hmrc.gov.uk/pensionschemes).

# CONTRIBUTIONS

## How much can be contributed?

There are no HMRC limits to the amount of contributions that can be made either by the members themselves or the employer. Contributions can be made even if you have started drawing benefits from the scheme, though you cannot fund contributions by using your retirement lump sum.

However, there are limits to the amount of tax relief that you can receive on employer and personal contributions, and if your pension input during a year for all pension arrangements is more than the Annual Allowance (currently £50,000) the excess is taxed as income. Pension input includes contributions to money purchase schemes and accrual within final salary schemes.

If you have been a member of a pension scheme for any of the previous three years and not contributed up to the Annual Allowance, you may have an extra amount you can contribute using carry forward rules. These rules are complex and you should speak to your SSAS Consultant if you think this may apply to you.

### Should I make Company or personal contributions?

Company contributions are paid gross directly from the company and so the gross funds are available immediately for investment and there is no National Insurance applicable. They are also not limited to earnings.

Personal contributions are paid out of taxed income usually after National Insurance deductions. Furthermore, even if personal contributions are paid in gross, the member has to fund the tax relief until it is claimed through self-assessment.

### How much can an employer contribute?

Employer contributions are paid on a gross basis and so tax relief is granted by the local HM Inspector of Taxes if those contributions are incurred wholly and exclusively for the purposes of the employer's business. Tax relief can be spread in certain situations.

There is no specific salary-related limit to how much an employer can contribute. However, income tax is charged to the member for exceeding the Annual Allowance mentioned previously. This may mean that there is a maximum which can be contributed tax efficiently.

### What are the limits for personal contributions?

If you are resident in the UK you can usually contribute up to 100% of your relevant UK earnings (or £3,600 if this is higher) in any one tax year and receive tax relief.

Personal contributions can be paid net of basic rate tax, in which case the pension Scheme Administrator will need to reclaim any basic rate tax relief for which you are eligible from HMRC. Alternatively, personal contributions can be paid gross, in which case any tax relief would have to be claimed via self-assessment.

Tax relief is not available if you are 75 or over.

### What are relevant UK earnings?

For most people, this is employment income taxable in the United Kingdom and income which is chargeable under Schedule D.

### What if I am a higher rate taxpayer?

If you are a higher rate taxpayer and only basic rate relief has been claimed by the Scheme Administrator then you can usually claim the balance of tax relief through self-assessment.

### Can contributions be made for me if I have Enhanced or Fixed Protection?

Enhanced Protection was available to individuals with sizeable pension assets at 5 April 2006 who wished to protect themselves from certain tax charges which may apply thereafter. Fixed Protection will be available from 6 April 2012 for individuals who may be affected by the reduction in the Lifetime Allowance from April 2012.

If you or your employer pays contributions you will lose your Enhanced or Fixed Protection. You should also not set up a new pension arrangement other than to receive a transfer from an existing pension arrangement. This includes setting up or naturally varying life cover for your SSAS.

### Can contributions be paid in the form of property or shares?

Yes, but you should seek specific advice before proceeding. Contributions of this type are only tax efficient if documented in a certain way. There are additional costs involved with this type of contribution compared to making cash contributions.

### Can I contract out of the State Second Pension through a SSAS?

This is discouraged due to the significant additional administration burden of contracting-out and the restrictions it would place on the flexibility given to SSASs. Contracting out is being abolished from 6 April 2012 in any event.

### Can Barnett Waddingham give me advice on what contributions to pay?

We can provide you and your advisers with generic information. If you need advice, we can introduce you to an adviser from our associated company, Barnett Waddingham Investments LLP.

## TRANSFERS

### Can I transfer existing pension benefits into a SSAS?

Yes, provided they do not contain Protected Rights (funds built up from contracting-out of the State Second Pension – see below).

Transfers can be received even if you have drawn benefits from the other scheme, but this will bring forward your pension review if you are in drawdown. There may be restrictions if you are under age 55.

There is no tax relief on transfers from a registered pension scheme and if transfers come from another Registered Pension Scheme, they do not count towards the Annual Allowance.

### Can I transfer in Protected Rights?

SSASs are not generally contracted out of the State Second Pension (S2P) and so can't accumulate or receive transfers of Protected Rights. However, we expect that Protected Rights funds will be treated as any other pension savings from 6 April 2012 and from then on a transfer could take place.

### Can I transfer my existing SSAS to Barnett Waddingham?

You could set up a SSAS using our standard documentation and then transfer the assets across.

Alternatively, our trustee company could act as the professional trustee to your existing scheme, replacing the incumbent professional trustee if there is one.

You could just use us as a practitioner for the scheme whereby we would complete returns on behalf of the trustees without actually being appointed as a trustee. Whilst this is potentially easier to set up, we do find that errors (which result in tax penalties) are more likely to result where there is no professional trustee.

### Can you give me advice on whether to transfer?

We are happy to work with your advisers to implement any decisions you have made. If you do not have an adviser, we can introduce you to one from our associated company, Barnett Waddingham Investments LLP.

## INVESTMENTS

### How can the SSAS be invested?

The powers that SSAS trustees have to invest are set out in each individual scheme's trust documentation. This may give the trustees the power to invest in most assets, but it should be noted that the overriding legislation will tax certain investments.

This section sets out details of tax-efficient investments, which are known as acceptable investments, and tax-inefficient investments, known as non-acceptable investments.

### Can the trustees hold cash?

Yes, and in fact a current account will be needed to take care of miscellaneous benefit and expenditure, as well as to receive contributions.

Where we act as professional trustee, we prefer the SSAS to set up a current account with Bank of Scotland as we have a good working relationship with them and have the facility to view account balances and transactions up to the previous working day. Also, as we receive remuneration directly from the bank relating to deposits, we do not charge for overseeing the current account. Full details are provided before you set up the account. Other bank accounts may be used, though we may charge additional fees for this.

The member trustees will need to ensure that there are sufficient funds available to meet the day to day expenses of the scheme, for example administration fees, mortgage payments and income payments.

### What are the other acceptable investment options?

Acceptable investments include:

- Bank and Building Society deposit accounts
- Stocks and shares
- Unquoted shares\*
- Commercial property and land
- Trustee Investment Plans and bonds
- Executive Pension Plans
- Loans to the sponsoring employer\*
- Third party loans
- Hedge Funds
- Unit Trusts / OEICS
- Investment grade gold bullion
- Traded Options
- Financial and Commodity Futures
- Copyrights

\*subject to certain HMRC limits and criteria, detailed later.

Investments can be made in the UK or overseas, and can be made jointly with other investors if need be.

Your SSAS can buy or sell assets from/to you, your family or your business, provided the transaction takes place at market value.

Whilst a SSAS can be a member of a property investment LLP, income and capital gains are subject to income tax and capital gains tax accordingly.

### What are the non-acceptable investments?

Direct or indirect investment into the following non-acceptable assets should be avoided:

- Residential property
- Tangible moveable property\*
- Loans to members or their relatives
- Investments that are viewed as trading activities

\*Tangible moveable property includes:

- Plant and machinery
- Vintage cars and yachts
- Works of art, stamps, antiques, fine wine

Ground rents relating to residential property are treated as residential property.

Residential property and tangible moveable property are classified as "taxable property" and subject to tax charges. More details are given later.

Tax charges may also arise if loans are made to sponsoring employers that do not qualify as authorised employer loans, or if the SSAS uses too much of its funds to purchase shares in sponsoring employers.

### What are the criteria for an employer loan?

An authorised employer loan has to satisfy certain key criteria in relation to amount, security, interest rate, term, and repayment terms.

Total employer loans cannot exceed 50% of the net assets of the SSAS at the time advances are made. Loans must be secured by a first charge of adequate value. The interest rate must be a minimum of 1% over base rate, though during periods of low interest rates, a higher rate might be viewed as more appropriate.

The term of an authorised employer loan should be no more than 5 years, and can only be extended once and only if the borrower is experiencing genuine financial difficulties.

An authorised employer loan must be repaid in equal instalments of capital and interest for each complete year of the loan.

Failure to adhere to these terms could incur tax penalties for the SSAS and the borrower.

### What are the limits on buying shares in the sponsoring employer?

The SSAS can invest up to 5% of its net assets in shares in each sponsoring employer or connected company, and can invest no more than 20% of its net assets in such shares in total.

The shares will need to be purchased at a price backed up by an independent valuation – which could be prepared by the company's accountant, but not the company's in-house accountant.

### Can the trustees borrow money to fund investments?

The trustees can borrow from any commercial lender of their choice (or from the employer or a member).

There is a limit on how much can be borrowed by the trustees: maximum borrowing including any existing borrowing must not exceed 50% of the net value of the SSAS each time any borrowing takes place.

### What are the rules for buying the company's premises?

The transaction would have to happen at market value, as though it were an arm's length transaction, and would go through a proper conveyance. The usual Stamp Duty Land Tax and VAT considerations would apply.

To evidence the market value, there should be an independent property valuation supporting the transaction price.

### What are the rules for leasing premises to the company?

The lease terms would have to reflect commercial terms available in the market and this requires an independent rental valuation supporting the annual rent and terms of the lease.

### What are the consequences of investing in taxable property?

If a SSAS is holding, either directly or indirectly, taxable property then there are tax charges on the purchase price, tax charges on the income (or deemed income) and tax charges on the capital gains. These tax charges outweigh the benefits of getting tax relief on contributions to pension schemes and therefore ownership of taxable property should be avoided.

### What is an indirect holding of taxable property?

If a SSAS holds an interest in an entity, such as owning share capital of a company, which itself owns taxable property, then the SSAS is treated as owning the whole or part of that taxable property.

## INVESTMENTS CONTINUED

### Are there any exemptions of indirect holdings of taxable property?

Indirect investments held through genuinely diverse commercial vehicles will not be subject to tax charges when held as a scheme investment. HMRC lists three categories of genuinely diverse commercial vehicle: UK REITS, Trading Concerns and “other kinds of vehicle”.

Certain conditions still need to be met and so specialist advice should be taken.

### What if I have an existing SSAS which already holds taxable property?

Transitional protection may be available in certain circumstances, but will be lost if, for example, that taxable property is added to or improved.

### Can I use assets owned by the SSAS for my personal use?

As most assets that might be suitable for personal use qualify as taxable property (e.g. holiday homes, cars), it is unlikely that this opportunity will occur. However, if it does, the SSAS member will have a tax charge on the benefit in kind cost if the member does not pay the market rate for the use of the asset.

### What is meant by residential property?

HMRC sets out that residential property can be in the UK or elsewhere and is:

- a building or structure that is used or suitable for use as a dwelling;
- any related land that is wholly or partly the garden for the building or structure;
- any related land that is wholly or partly grounds for the residential property and which is used or intended for use for a purpose connected with the enjoyment of the building;
- any building or structure on any such related land;
- in limited situations a hotel, which includes an inn, or similar accommodation, will be counted as taxable property though this will only be where it provides accommodation rights such as timeshare;
- a beach hut.

### Are there any exemptions as to what is residential property?

HMRC has clarified that a building used for any of the following purposes is not residential property:

- a dedicated children’s home or other institution providing residential accommodation for children;
- a hall of residence (not flats) for students;
- a home or other institution providing residential accommodation with personal care for persons in need of personal care by reason of old age, disability, past or present dependence on alcohol or drugs or past or present mental disorder;
- a hospital or hospice;
- a prison or similar establishment.

If a building is not currently in use then if it was last used for one of the non-residential purposes set out above then it is not treated as residential property. If the building has never been used and is more suitable for one of the uses specified above than for any other purpose it is not treated as residential property regardless of its suitability for use as a dwelling.

Furthermore, certain “job-related” accommodation will not be treated as residential property.

### What is “job-related” accommodation?

There are two categories of “job-related” accommodation:

The property is (or, if unoccupied, is to be) occupied by an employee who:

- is neither a member of the pension scheme nor connected with such a member,
- is not connected with the employer, and
- is required as a condition of employment to occupy the property.

An example is a caretaker’s flat.

The property is (or, if unoccupied, is to be):

- occupied by a person who is neither a member of the pension scheme nor connected with such a member, and
- used in connection with business premises held as an investment of the pension scheme.

An example is a pub with landlord living above.

### How are the investments cashed in to pay benefits, fees or other costs?

The member trustees should give instructions to sell investments, which would be countersigned by the professional trustee (if applicable).

### How do the trustees arrange for investments to be made?

The member trustees select the investments and liaise with the investment provider (or their investment adviser) to obtain appropriate investment forms for a trust to invest. These forms should be completed and sent to the professional trustee (if applicable) for verification.

### Are there any penalty tax charges relating to investments?

Yes, if an unauthorised payment is made e.g. if there is excessive borrowing, if investment transactions are not carried out at market rate or if rent is not paid when due by a connected tenant.

The trustees must report all unauthorised payments to HMRC and the tax charge on you personally/your company would usually be 40% to 55% of the payment and your SSAS would be subject to a further minimum tax charge of 15% of the payment.

### Are there any other general investment points to be aware of?

Pension schemes could be subject to tax on trading profits where HMRC deems the pension scheme to be trading. There is no definition of what constitutes trading, but investing the fund in such a way that the fund is operating as an investment company might incite this.

### Can you give the trustees advice on investments?

We are happy to work with the trustees' advisers but if there is no adviser we can introduce you to our associated company, Barnett Waddingham Investments LLP.

## RETIREMENT BENEFITS

### When can I take benefits?

You can start to take retirement benefits from age 55. If you are in serious ill health, or in a recognised qualifying occupation, you may be able to take benefits earlier.

### How are my benefits worked out?

Your benefits are based on the value of your share of the SSAS fund at your benefit date agreed between you and the trustees. You would normally be entitled to draw part of this fund as a retirement lump sum and the balance would be used to provide you with income. The lump sum is a tax-free benefit whereas the income would be subject to income tax (but not National Insurance).

### Can I have a tax free lump sum?

This is now known as a pension commencement lump sum. You will usually be able to take up to 25% of your SSAS fund (if under your available Lifetime Allowance) as a pension commencement lump sum which is tax-free.

If you have registered with HMRC for Enhanced, Primary or Fixed Protection or have a protected lump sum then different rules apply on the amount of your pension commencement lump sum and you should seek specific confirmation. There may be a tax charge levied by HMRC if you use this lump sum to increase your normal pension contributions.

### Can I receive an income?

Yes, either by purchasing an annuity, and/or by drawing an income from your fund ("Income Drawdown or Flexible Drawdown") and/or by having the trustees provide you with income ("Scheme Pension").

The annual income for an annuity is decided by the insurance company you select to provide the annuity.

The maximum annual income under drawdown is calculated by the Scheme Administrator using Government issued tables. If you qualify for 'Flexible Drawdown', however, there is no annual limit and you may decide how quickly you drawdown your pension fund.

The level of Scheme Pension is decided by the trustees.

### What is the maximum amount of benefit I could have?

There is no limit on the overall value of your fund within a SSAS. However, if the total value of all your registered pension schemes exceeds the Lifetime Allowance (currently £1.8 million, £1.5 million from April 2012) then a tax charge may apply on the excess amount above the Lifetime Allowance.

### What is the Lifetime Allowance?

Your SSAS fund will be assessed against the Lifetime Allowance when you take benefits and again when you buy an annuity or reach age 75. Each time you take new benefits a portion of the Lifetime Allowance is used up.

Once you have used up your Lifetime Allowance, any subsequent benefits taken will be subject to a Lifetime Allowance Charge. This is 25% of the excess above the Lifetime Allowance if the funds are taken as regular income, and the income is also subject to Income Tax. If the funds are taken as a lump sum the effective Lifetime Allowance Charge is 55%.

The trustees must deduct this charge before paying any benefits. If you had pension funds accrued before 6 April 2006 and have registered for protection, this may reduce or eliminate any Lifetime Allowance Charge that may be payable.

## RETIREMENT BENEFITS CONTINUED

### When can I purchase an annuity?

You can purchase an insured annuity at any time after you are able to access benefits with all or part of the value of your SSAS fund. You would choose the insurance company. Annuity purchase will trigger a check against the prevailing Lifetime Allowance (see "What is the Lifetime Allowance?" above).

You will be able to select an annuity taking account of some or all of the following:

- (a) to provide level or increasing income payments
- (b) to provide an annuity for your life only or to include a provision for your spouse, civil partner or dependant
- (c) to be paid for a guaranteed minimum term even if you do not survive to the end of that term
- (d) your health.

An annuity will pay you an income for the rest of your life. It provides certain security over the income for your life rather than the flexible, but not guaranteed, future benefits provided by Income Drawdown (see below).

If you purchase an annuity with the full value of your SSAS fund, you will have no further benefits in your own name under the SSAS, but may be able to continue as a trustee, with the agreement of the other trustees.

### How does Income Drawdown work?

If you are in drawdown you still have full flexibility over your chosen investments.

The maximum income is calculated in line with the annuity income your fund would provide, calculated using Government Actuary's Department (GAD) rates.

These rates take account of your age and yields on fixed interest government stock ("gilts") at the time of the calculations. The maximum income is calculated when each part of your fund comes into payment and again at 3 yearly intervals prior to age 75 and annually thereafter. You can request an interim review on an anniversary of the date you capitalised your retirement benefit. There is no minimum income payment.

Annual reviews are mandatory if you are aged 75 or over.

It is up to you how and when you use up your maximum income allowance but you cannot exceed the maximum during any pension year – meaning that you cannot have an additional payment if you drew less than the maximum one year.

### What is Flexible Drawdown?

Flexible Drawdown allows you to draw pension income without limit. In other words, you are not restricted by the annual GAD rate mentioned previously for Income Drawdown.

To be eligible for Flexible Drawdown, you must be able to prove you have a secure income of £20,000 gross per annum or greater. Only particular types of income can be included. They are:

- (a) Social Security pension;
- (b) a lifetime annuity or dependent's annuity made by a registered pension scheme;
- (c) Scheme Pension or dependent's scheme pension from a registered pension scheme with at least 20 members;
- (d) Payments from an overseas pension which, if it were a UK scheme, would fall within the above categories.

### How does Scheme Pension work?

Scheme Pension can be offered by the trustees as an alternative to an annuity or income drawdown. The trustees will offer you a pension income from the trust or a fund to purchase an annuity. It is up to you to decide whether to accept the Scheme Pension offer.

The Scheme Pension will be paid on a regular basis and the trustees will decide how to invest the fund backing your Scheme Pension.

Scheme Pension from a SSAS doesn't qualify as secure income for the purposes of Flexible Drawdown.

### Is pension income subject to tax?

Pension income, whether from annuity, Income Drawdown, Flexible Drawdown or Scheme Pension, is treated as earned income and taxed under the PAYE system.

A PAYE scheme should be set up for the SSAS in its own right. The trustees can outsource the PAYE to another company or we can run the payroll on behalf of the trustees.

### Do I have to purchase an annuity when I reach age 75?

No, but there may be no advantage for deferring benefits beyond age 75. Also, your benefits are checked against the Lifetime Allowance at age 75 and any excess may be subject to tax (see "What is the Lifetime Allowance?" above).

You can still choose to purchase an annuity at any time.

### Can Barnett Waddingham LLP give me advice on what benefits to take?

Our consultants will be able to detail the various benefit options available to you, but they will not be able to advise which option is the best for your personal circumstances.

We are happy to work with your advisers to implement any decisions you have made or can introduce you to an adviser from our associated company, Barnett Waddingham Investments LLP.

## DEATH BENEFITS

### What happens if I die before taking benefits?

Funds up to the Lifetime Allowance can be paid as a lump sum to your beneficiaries. This payment should be free of Inheritance Tax (IHT). Any value above the Lifetime Allowance will normally be subject to a deduction for tax.

Alternatively, a lump sum can be paid to a registered charity, nominated by you, tax free. When deciding the recipients of your death benefits the trustees will take into account any wishes you have expressed to them.

### What happens if I die whilst on income from an annuity policy?

The benefits from an annuity policy will depend on the features built into the policy when it was taken out. They could include a spouse's pension and/or a lump sum equal to the remaining instalments due under the terms of the annuity policy.

### What happens if I die whilst on Income Drawdown or Flexible Drawdown?

The value of your share of the fund will be available to your beneficiaries. Your entire remaining fund value may be paid out as a lump sum, less tax at 55%, or may be used to pay a taxable income to your spouse and/or civil partner and dependants. Again the trustees will take into account any wishes you have expressed.

Alternatively, a lump sum can be paid to a registered charity, nominated by you, tax free.

### What happens if I die and I am receiving Scheme Pension?

The benefits paid will depend on the death benefits agreed with the trustees as part of their Scheme Pension offer to you. This may include continued payment of income for the remainder of a set term or payment of a dependant's income.

### Is the SSAS written under trust?

Yes, the SSAS is a trust in its own right and the members act as trustees.

## DISCLOSURE

SSASs with more than one member are registered with The Pensions Regulator whose address is:

The Pensions Regulator  
Napier House  
Trafalgar Place  
Brighton BN1 4DW  
[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

The Regulator keeps up to date records of all schemes so that former members can keep track of which scheme now has the liability to provide their benefits. Triennial returns are provided to the Regulator by the trustees.

If a member of the Scheme is dissatisfied with the information that has been received or has an unresolved query about his or her pension entitlement, the member may ask for assistance of The Pensions Advisory Service (TPAS) which is an independent voluntary organisation with local advisers who are experts in pension matters. The address of TPAS is:

The Pension Advisory Service  
11 Belgrave Road  
London SW1V 1RB  
[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

If TPAS fails to solve a member's problem the case may ultimately be referred to the Pensions Ombudsman whose address is:

The Pensions Ombudsman  
11 Belgrave Road  
London SW1V 1RB  
[www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

The Ombudsman has power to resolve any complaint and his rulings are enforceable in the County Court although appeals may be made on points of law in the High Court.

However, before contacting TPAS or the Ombudsman individuals are strongly advised to discuss any problems with the trustees in the first instance.

## FURTHER INFORMATION

If you would like further information, please contact Barnett Waddingham LLP at the address given.

[www.barnett-waddingham.co.uk](http://www.barnett-waddingham.co.uk)

#### Amersham

Chalfont Court, Hill Avenue, Amersham HP6 5BB  
Tel: 01494 788100 Fax: 01494 788800  
Email: [amersham.ssas@barnett-waddingham.co.uk](mailto:amersham.ssas@barnett-waddingham.co.uk)

#### Bromsgrove

Silver Springs House, 2 Topaz Way  
Birmingham Road, Bromsgrove B61 0GD  
Tel: 01527 300000 Fax: 01527 300090  
Email: [bromsgrove.ssas@barnett-waddingham.co.uk](mailto:bromsgrove.ssas@barnett-waddingham.co.uk)

#### Cheltenham

St James's House, St James's Square, Cheltenham GL50 3PR  
Tel: 01242 538500 Fax: 01242 538501  
Email: [cheltenham.ssas@barnett-waddingham.co.uk](mailto:cheltenham.ssas@barnett-waddingham.co.uk)

#### Glasgow

163 West George Street, Glasgow G2 2JJ  
Tel: 0141 243 4400 Fax: 0141 243 4432  
Email: [glasgow.ssas@barnett-waddingham.co.uk](mailto:glasgow.ssas@barnett-waddingham.co.uk)

#### Leeds

West Riding House, 67 Albion Street, Leeds LS1 5AA  
Tel: 0113 394 3700 Fax: 0113 394 3760  
Email: [leeds.ssas@barnett-waddingham.co.uk](mailto:leeds.ssas@barnett-waddingham.co.uk)

#### Liverpool

Port of Liverpool Building, Pier Head, Liverpool L3 1BW  
Tel: 0151 235 6600 Fax: 0151 235 6640  
Email: [liverpool.ssas@barnett-waddingham.co.uk](mailto:liverpool.ssas@barnett-waddingham.co.uk)

#### London

Cheapside House, 138 Cheapside, London EC2V 6BW  
Tel: 020 7776 2200 Fax: 020 7776 3800  
Email: [london.ssas@barnett-waddingham.co.uk](mailto:london.ssas@barnett-waddingham.co.uk)

Barnett Waddingham LLP (OC307678) and Barnett Waddingham Investments LLP (OC323081) are limited liability partnerships registered in England & Wales. A list of members of Barnett Waddingham LLP and Barnett Waddingham Investments LLP can be inspected at the registered office. Registered office: Cheapside House, 138 Cheapside, London EC2V 6BW.

Barnett Waddingham LLP is authorised and regulated by the Financial Services Authority and is licensed by the Institute and Faculty of Actuaries for a range of investment business activities. Barnett Waddingham Investments LLP is authorised and regulated by the Financial Services Authority.