

# Small Self Administered Scheme (SSAS)

## Key features

A SSAS is a type of retirement benefit scheme established by a limited company, usually for the Directors or family members of a family business. The SSAS is established under trust and members become the Trustees of the scheme together with the Professional Trustee, Harsant Pensions Trustees Ltd. This means that the members, as Trustees, control the scheme and its investments.

The assets are owned by the trustees who are responsible for ensuring that the scheme is run according to pension law.

The Scheme can have up to 11 members and although established by the principal employer the scheme can have members that are not employed by the principal company.

Harsant Services Ltd. will be responsible for the registration of the scheme with HM Revenue & Customs (HMRC) and its administration in accordance with the trustees wishes and pension legislation.

## Aims

The SSAS is designed to provide members with:

- A means to invest and save to provide an income in later life by taking advantage of tax privileges
- The opportunity to invest in a broad range of investments, including commercial property
- The option of taking a tax free pension commencement lump sum in exchange for reduced pension income
- Flexibility to provide you and your spouse/civil partner (and dependants if appropriate) with an income later in life, which can start from age 55
- The option to transfer other registered pension schemes into your SSAS; with the exception of Protected Rights which can only be accepted into a SIPP
- The flexibility to take your pension benefits in stages and to draw an income from your fund while leaving the remaining funds invested
- Protect investments from creditors of the employer and personal bankruptcy.
- The ability to make loans to your business, raise mortgages and buy shares in your own company
- The option to purchase the premises from which the Company trades. The rent is then paid into the SSAS free of tax and if the property is subsequently sold there is no capital gains tax to pay



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## Risk Factors

Harsant specifically draws your attention to the following:

- You will not be able to draw any benefits until you are at least aged 55
- You must decide how you wish to take benefits before you reach your 75<sup>th</sup> birthday
- The wide range of investments and markets that you are able to invest in, with your SSAS fund, have varying levels of risk attached to them. Some investments carry greater risk in order to provide greater potential returns. You should therefore understand the risk profile of the underlying investments
- The value of your investments and the income derived from them may fall as well as rise and you may not recover the amount of your original investment
- It should be remembered that with any type of investment, past performance is not necessarily a guide to future performance
- Where a charge is taken from the capital of a fund, the value of your investment may be reduced
- Where investments are denominated in a currency other than Sterling, changes in rate exchange may have an adverse or favourable affect on the value, price or income of the investments
- Warrants often involve a high degree of gearing so that a relatively small movement in the price of the security to which the warrant relates may result in a disproportionately large movement, unfavourable as well as favourable, in the price warrant
- Significant changes in interest rates could affect the value of your investment
- Some investments, such as Property, may take longer to sell than others and you may not be able to realise your investment when you wish to
- The value of any Property may be based on a valuation rather than the market price
- That Property is at risk of repossession following default of any loan provision
- If a Property is held within your SSAS fund, the charges (e.g. professional fees) associated with the acquisition, administration and/or disposal of such a Property can be considerable and you need to take this into account in making any decision to acquire Property
- You will not be able to draw any benefits until you are at least aged 55
- You must decide how you wish to take benefits before you reach your 75<sup>th</sup> birthday
- Annuity rates or the rate used to convert your SSAS into an income may be lower when you retire than they are now
- If you choose to take income withdrawals, higher income withdrawals are unlikely to be sustainable if investment returns are low during the withdrawal period. They may also reduce any potential annuity at a later date.
- The maximum income that can be withdrawn under Alternatively Secured Pension after age 75 is significantly less than the maximum that applies before age 75
- Tax legislation and tax rates may change during the lifetime of your SSAS



## Harsant Pensions

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