

product overview

A Rowanmoor Pensions Defined Benefit Small Self-Administered Scheme (DB SSAS) is an occupational pension scheme designed for employers who want to maximise the provision of pension benefits for directors and key employees in a given year. The Rowanmoor Pensions DB SSAS differs from most other SSASs by providing a defined level of scheme pension for members at normal pension age instead of defining levels of contributions prior to taking benefit.

This leaflet is designed to give a brief overview of the features of the DB SSAS. For more details of Rowanmoor Pensions' products and services please call our Sales Support Team on 08445 440550, or visit our website www.rowanmoor.co.uk.

Availability	The Rowanmoor Pensions DB SSAS is 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	Small occupational scheme (fewer than 12 members). Established as a discretionary trust.
Scheme Administrator	Rowanmoor Group plc.
Trustees	The members. Rowanmoor Trustees Limited is appointed as independent trustee. All scheme members are appointed as member trustees.
Appointed scheme advisers	Scheme Adviser - Rowanmoor Group plc. Investment Adviser - Client's independent financial adviser or other regulated individual. Scheme Actuary - Rowanmoor Group plc.
Scheme year end	5 April.
Services-administration	Providing legal trust documentation to establish and govern the DB SSAS and where necessary amending it. Registering the scheme with Her Majesty's Revenue and Customs (HMRC). DB SSAS administration services. Keeping records of scheme investments, income and expenditure. Calculating and reviewing benefit payments. Technical support regarding the DB SSAS, its investments and benefits. Liaising with HMRC where necessary and filing the scheme reports required by them. Making any payment due to HMRC from the trustee bank account. Preparing unaudited scheme accounts as at 5 April each year to coincide with HMRC's reporting requirements.



Fees	Please refer to the Rowanmoor Pensions DB SSAS Fees and Services document.	
Contributions		
Member	Members can only contribute to the scheme at a rate determined by the employer. Tax relief will only be granted on contributions up to 100% of earnings in any tax year. Tax relief is also limited by the annual allowance, which may include the total of the current annual allowance and any unused qualifying annual allowance carried forward from previous tax years.	
Employer	Employer contributions will be limited 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.	
Transfers	The DB SSAS may accept transfers from other registered pension schemes either as cash transfers or as invested funds (i.e. in specie). In return for the transfer value the scheme actuary will advise on the level of scheme pension payable from normal pension age.	
Scheme bank account	A scheme bank account is opened with The Royal Bank of Scotland plc to hold the cash funds necessary to run the scheme. Rowanmoor Trustees Limited as independent trustee, is sole signatory to the account and acts under the instruction of the member trustees.	
Investment opportunities	<ul style="list-style-type: none"> Cash and deposits Insured pension funds, including trustee investment plans (TIPs) Traded endowment policies (TEPs)* Unit trusts and onshore and offshore open ended investment companies (OEICs) Investment trusts Structured products Equities, warrants and bonds quoted on the London stock exchange (including AIM), and the PLUS stock exchange ("PLUS-SX") Equities, warrants and bonds quoted on recognised worldwide stock exchanges Hedge funds and other alternative investment funds* Exchange traded futures and options, contracts for difference (CFDs) and other derivatives where the liability under the contract is limited to the amount invested in that contract* Foreign exchange contracts* Unquoted shares* 	<ul style="list-style-type: none"> Commercial property, including overseas* Hotels, prisons, care homes and public houses* Hotel rooms, including overseas* Forestry, woodland and agricultural land* Land, including land for development* Secured loans to the principal employer or participating employer(s)* Secured or unsecured loans to unconnected third parties* Harvestable commodities and plantations including green oil, teak oil, rubber and timber, subject to compliance with taxable property regulations* Carbon credits* Other ethical investments* Gold bullion* Intellectual property (including copyrights and patents)*
	*Whilst these investment opportunities are eligible under legislation and regulatory requirements, Rowanmoor Pensions may perform additional due diligence on these investments before accepting them.	
unacceptable investments	<ul style="list-style-type: none"> Residential property (including ground rent) Unsecured loans to the principal employer or participating employer(s) Loans to connected parties such as member trustees or their families 	<ul style="list-style-type: none"> Taxable moveable property, including: Plant and machinery, wind turbines, solar panels, antiques, fine wine, furniture, jewellery and gemstones, oriental rugs, rare books and stamps, vintage cars, works of art, Krugerrands and yachts

Asset holdings

Assets are held in the name of the member trustees and Rowanmoor Trustees Limited and do not form part of a member's estate, or the sponsoring employer's assets and are therefore protected from creditors.

Borrowing

The DB SSAS can borrow up to 50% of the net fund value of all scheme assets at the date of the loan.

Members' benefits

A member's benefits may be taken (known as crystallisation), in whole or in part, at any time from age 55. When a member takes benefits from the scheme, and at age 75 if benefits have not been taken, the cash equivalent of their annual pension from the DB SSAS, calculated by the scheme actuary, and any other pension arrangements they have, will be tested against the current lifetime allowance.

Pension commencement lump sum, based upon the scheme pension payable from the DB SSAS, calculated by the scheme actuary, but limited to a maximum of 25% of the lifetime allowance, tax-free.

PLUS

Pension, subject to income tax, which may be taken in the following ways:

- scheme pension;
- lifetime annuity.

Member dies before taking benefits

A defined benefit lump sum death benefit up to the lifetime allowance paid tax-free before the member is age 75. From age 75 all lump sum death benefits are taxed at 55%.

In addition, subject to the member's benefit schedule, a dependant's pension can be paid.

The dependant's pension is subject to income tax and benefits may be taken as follows:

- a dependant's scheme pension;
- a dependant's annuity.

Member dies whilst taking benefits

A pension protection lump sum death benefit, calculated by the scheme actuary, taxed at 55%.

OR

A dependant's benefit can be provided as outlined in the section 'Member dies before taking benefits' above.

If a member dies having only taken pension benefits from part of their fund the death benefits payable can be a mixture of those outlined above.

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

In some cases, capital gains tax or value added tax may be payable on the transfer of an asset in specie. Always check with an accountant before an in specie contribution is made. In specie contributions may incur stamp duty.

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

Loans to the principal or participating employer must be secured with a first charge against assets of equivalent value. 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 DB SSAS established by a self-employed business owner may not lend money back to their business.

Before making a contribution or transferring benefits to a DB SSAS always refer to your financial adviser as any protection of existing benefits may be affected.

The information contained in this document is based on Rowanmoor Pensions' understanding of current pensions law and taxation and is correct at the time of publishing.



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Rowanmoor Pensions is a trading name of Rowanmoor Group plc (No. 5792242). Rowanmoor Trustees Limited (No. 1846413) is a wholly owned subsidiary of Rowanmoor Group plc. Both companies registered in England at Rowanmoor House, 46-50 Castle Street, Salisbury SP1 3TS.

If you require this document in audio tape, large print, Braille or PC disc format, please telephone 08445 440 550 or fax 08445 440 500.