

why move to a Rowanmoor Pensions SSAS?

features and benefits

This leaflet explains:

- why Rowanmoor Pensions should be used to administer small self-administered schemes (SSAS);
- how the takeover process works;
- the main features of a Rowanmoor Pensions SSAS and the services we offer;
- the opportunities available to business owners from a Rowanmoor Pensions SSAS.

WHY ROWANMOOR PENSIONS?

At Rowanmoor Pensions we have over 25 years' experience in the SSAS market and are the UK's largest independent SSAS provider. We specialise in self-administered schemes and provide unrivalled, first class support to our clients and introducers by offering innovative retirement and business financial planning solutions and award winning administrative services.

Under the Rowanmoor Pensions SSAS the principal employer appoints Rowanmoor Group plc as the scheme Administrator (as defined by section 270 of the Finance Act 2004) and Rowanmoor Trustees Limited as independent trustee.

The independent trustee and scheme Administrator roles are central to the successful management of any scheme. This is primarily because of the complex nature of pension and taxation legislation and the need to have a detailed knowledge of Her Majesty's Revenue and Customs' (HMRC) compliance and audit regime.

Rowanmoor Pensions provides its SSAS clients with a personal, portfolio based service. A named administrator, who works as part of a larger team, is assigned to the SSAS. The administrator deals with the day-to-day running of the SSAS, backed up by colleagues on the team. This system of shared support complements the close working relationship that grows between clients and Rowanmoor Pensions' administrators.

By understanding and meeting the members' requirements, Rowanmoor Pensions endeavours to minimise the time and effort that member trustees have to spend on their SSAS, while ensuring the member trustees maintain the control and flexibility they require.

Rowanmoor Pensions has a specialist team of SSAS technicians who review and interpret changes in legislation to ensure the company and the member trustees are kept up to date. They also work closely with our administrators. Experienced consultants are on hand to provide guidance to ensure member trustees gain full advantage from their SSAS.

Rowanmoor Pensions will advise the member trustees on the regulations affecting their SSAS and the requirements of legislation and help them and their advisers maximise the opportunities available to them.

Rowanmoor Pensions can take over any scheme, which:

- is registered with Her Majesty's Revenue and Customs; and
- has been established under an individual trust; and
- has fewer than 12 members, all of whom wish to be members of the SSAS; and
- has a trust deed and rules which allow amendment to a SSAS; and
- successfully meets the requirements of Rowanmoor Pensions' investigation process.

To ensure that the existing scheme can be successfully taken over, we will undertake a thorough review of the documentation provided by the outgoing Administrator and if necessary, meet with the member trustees to discuss their arrangement.

Rowanmoor Pensions' aim is to fully understand the requirements of the member trustees and their objectives for their SSAS and at the same time, to ensure the member trustees comply with regulations and meet all the requirements of legislation.



THE TAKEOVER PROCESS

When taking over a scheme, we endeavour to minimise the time and effort required from the member trustees and take a two stage approach:

Stage one – Investigation

- The member trustees complete a Rowanmoor Pensions SSAS Takeover Questionnaire and provide authority for Rowanmoor Pensions to request scheme information from the appropriate contacts.
- Rowanmoor Pensions contacts the existing scheme Administrator, requesting the necessary information to check that the scheme complies with HMRC regulations and has met all the requirements of relevant legislation.
- Rowanmoor Pensions writes to the outgoing actuary, if one is appointed, to ensure there are no professional reasons for not accepting the actuarial appointment.
- Rowanmoor Pensions undertakes a comprehensive review of existing scheme documentation and also assesses whether the assets of the SSAS require further investigation by other professionals for compliance with any relevant legislation. We also check that the scheme is not subject to potential liabilities that may affect the member trustees.

Once the review has been successfully completed, Rowanmoor Pensions will move to:

Stage two - Appointment as Scheme Administrator and Independent Trustee

Rowanmoor Pensions:

- provides all the documentation to effect the takeover including a Deed of Appointment and Removal and a Definitive Trust Deed and Rules; and will
- liaise with the existing scheme Administrator to transfer the scheme to Rowanmoor Pensions.

Once the Deed and Rules have been executed and Rowanmoor Group plc has been formally appointed as scheme Administrator with HMRC, we will bring any outstanding scheme issues up to date. This will ensure administration in the future is efficient, enabling the member trustees to concentrate on their own priorities for their business.

SERVICES OFFERED BY ROWANMOOR PENSIONS

As Administrator, Rowanmoor Group plc is responsible to HMRC for the running of the SSAS. Rowanmoor Pensions' other services include:

- accepting the appointment as scheme Administrator and confirming this with HMRC;
- accepting the appointment as independent trustee;
- providing technical and administrative services;
- maintaining scheme records and preparing annual scheme accounts;
- preparing and filing certain HMRC reports;
- assisting advisers and trustees in the purchase and sale of scheme assets;
- giving guidance on complex scheme assets such as property purchase, borrowing and loans;
- operating the trustee bank account;
- administering the payment of scheme benefits;
- specialist actuarial advice and calculations.

When taking over a scheme we endeavour to minimise the time and effort required from the member trustees.

FEATURES OF THE ROWANMOOR PENSIONS SSAS

A Rowanmoor Pensions SSAS is established under discretionary trust. This provides the member trustees with considerable tax advantages. The members, together with Rowanmoor Trustees Limited, are the trustees of the scheme. This means the members, as trustees, control the scheme and its investments.

The funds within the SSAS may be used by the member trustees to invest in their company or associated companies through secured loans, or by purchasing property to lease back to the company at an open market rent. This is known as self-investment.

With good business financial planning advice, the innovative entrepreneur can make their SSAS work for their business whilst building up a substantial pension fund to benefit them, and their family, in retirement.

OPPORTUNITIES AVAILABLE

The common trust gives members the right to benefit from the scheme, but the assets don't belong to any particular member.

A Rowanmoor Pensions SSAS's assets can be allocated to members to provide them with benefits. For example, rental income from a commercial property held by the SSAS can be allocated by the trustees to provide a member's pension benefits. Once the member dies, the property remains an asset of the scheme for the benefit of the remaining members.

LOANS

Up to 50% of the net assets of the scheme can be lent to the establishing or any participating employer and secured against assets of equivalent value. Unlimited, unsecured loans may be made to a third party but it is not possible to make loans to the member trustees or anyone connected to them. This means a SSAS established by a self-employed business owner or partnership may not lend money back to their business.

PROPERTY

The SSAS can buy commercial property from any party including the establishing (or participating) employer, or the members themselves. Once the property is an asset of the

scheme it can be leased back to the business at a commercial rent. This could be particularly useful for partnerships such as accountants, doctors or solicitors as well as small limited companies.

BORROWING

The scheme can borrow up to 50% of its net assets at the date of the loan. Borrowed funds can be used for investment, or to help finance other commitments such as the payment of pension or death benefits.

PROHIBITED INVESTMENTS

Assets likely to give rise to additional tax charges against the scheme are not permitted in the Rowanmoor Pensions SSAS. These include, for example, residential property in the UK and overseas, jewellery and antiques.

SHARES

Investment in listed or unlisted shares is possible, however, HMRC restricts investment in companies connected with the scheme. The restrictions are designed to ensure that members do not receive any non-relevant benefits or indirectly invest in prohibited assets, such as residential property. Please refer to Rowanmoor Pensions if the trustees are considering such an investment.

SCHEME BENEFITS

The Rowanmoor Pensions SSAS has the option to provide a scheme pension, paid to the member by the scheme over the member's lifetime, without the need to buy an annuity or draw an income via income drawdown.

This means that the trustees retain control of the assets and on the death of the member, they may be reallocated at the trustees' discretion within the scheme. Not all other member-directed pension schemes have this option.

TECHNICAL NOTES

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.

Full details of all the features of a Rowanmoor Pensions SSAS can be found on www.rowanmoor.co.uk or by calling our Sales Support Team on 08445 440 550.



TELEPHONE: 08445 440 440 • FAX: 08445 440 500
enquiries@rowanmoor.co.uk • www.rowanmoor.co.uk

ADMINISTRATION CENTRES

ROWANMOOR HOUSE • 46-50 CASTLE STREET • SALISBURY SP1 3TS
2 BELMONT HOUSE • DEAKINS BUSINESS PARK • EGERTON • BOLTON BL7 9RP

CONSULTANCY OFFICES

LONDON | BOLTON | BURGESS HILL | SALISBURY

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.