



Newsletter

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Celebrating 30 years

Welcome to this special 30th anniversary edition of our Newsletter. In the current financial landscape 30 years is quite an achievement and one which we are all very proud of.

The secret to our success is simple, our people and our core values.

Seven technical pension consultants each averaging 18 years with Dentons, leading teams of multi skilled administrators who are able to handle every aspect of your client's arrangement, right through from establishment to retirement and death and everything in between. We believe that it is this continuity, efficiency and tailored service which, hopefully, sets us apart from our peers.

We also never forget whose money it is, this means we go out of our way to help clients and their advisers to achieve their objectives.

Most importantly we would not have achieved 30 years without the continued support and trust from advisers and introducers; we would, therefore, like to take this opportunity

to thank all of those who have placed business with us and for those who continue to keep us in mind.

Those familiar with previous editions of our Newsletter will notice the revised and updated imagery, reflecting a refreshed corporate identity. However, our familiar Dentons logo remains.

The refresh coincides with our new website launch at www.dentonspensions.co.uk. The site now has greater functionality, allowing establishment documents for SIPPs to be accessed and downloaded directly, as well as more technical information and news items.

Please visit the new site; we would welcome your feedback.

Long Live The SSAS

It's clear to see the appeal of a SIPP but what about the SSAS? Not one to write off just yet, as more and more clients are looking at this old favourite's appeal.

With all the investment flexibility and control of the SIPP plus the additional lending functionality for the company, in times like these it is not surprising many small companies are now looking at things differently.

Effectively, a SSAS shares the same rules as a SIPP when it comes to member contributions, tax relief and benefit payments, as well as having similar investment options.

The real appeal of the SSAS is Scheme Pension, and the facility it has to lend back to the sponsoring employer. With credit currently being difficult to obtain, some companies are now exploring this as an alternative option.

Loans can be made to the sponsoring employer but are subject to certain conditions set by HMRC.

These include:

- The loan should not exceed 50% of the net market value of the scheme's assets
- The loan should be secured against assets of an equal monetary value by way of a first charge
- The loan's terms should be no longer than 5 years
- Interest of at least 1% above bank base rate should be charged on the loan

Other methods of releasing funds from pension vehicles to assist a company's cash flow could include the purchase of assets from the company such as a commercial property or intellectual property including trademarks.

Post A day, the requirement for a scheme to have a Pensioner Trustee was removed and replaced by the equally responsible role of Scheme Administrator. This is a vital role as it is the Administrator who will carry out all the required reporting functions and ensures that the scheme operates within the HMRC rules.

Although some Trustees have opted out of this market Dentons are pleased to say they have not and are able to fulfill the role of Scheme Administrator.

Alternative Investments

Due to recent market volatility many clients are increasingly moving away from the traditional asset classes and looking at alternative investments that are available through the more specialist self invested pension providers.

As one of the most flexible on the market, Dentons have noticed an increasing trend towards more esoteric investments including:

- Off Plan hotel investments in numerous locations
- Funds of futures
- Business Angel Investing
- Private Equity

However, with many commentators sighting some green shoots of recovery, we are also seeing a renewed interest in commercial property.

Within a SIPP, the investment world really can be your oyster and a little imagination can go a long way for many clients who may be somewhat disillusioned by the traditional asset classes.

We have recently run seminars examining some of the alternative investments available to clients and have received very positive feedback; please contact us if you would like a copy of the presentation or a meeting to run through some of your clients' ideas.

Anomaly In Earliest Retirement Date

Recent experience has reminded us of an anomaly produced by the Pension Simplification process relating to the earliest age from which benefits can be drawn.

Pre April 2006, legislation permitted drawing from age 50 but amended rules have pushed this back to age 55. (Unless an HMRC early retirement age has been agreed).

However, a transitional period permits those who reach 50 before 6th April 2010 to retain their pre simplification right to retire at 50.

An anomaly then exists for those who reach age 50 before 6th April 2010 and are, therefore, able to vest benefits, but choose not to. If they have not reached age 55 before 6th April 2010 they are then prevented from vesting their benefits until they do. Those with dates of birth from 6th April 1955 to 5th April 1960 will be affected, the earlier dates less so than the latter.



Administration and Service

In the last quarter the press seems to be full of doom and gloom for many providers and some of them are in the unenviable position of having to close their books to new business due to poor service and administration backlogs.

In light of this, many providers are now issuing a service promise or charter to reassure their clients. However appealing these look on paper it's important to remember the words "we aim" or "we endeavour" usually start the phrase!

Customer service is vitally important to clients and advisers. We don't know anyone who particularly enjoys selecting countless options on their telephone keypad or understands why it might take 5 days for someone to send you a fax, yet still this is not an unfamiliar story.

This is one area in which Dentons are different in the SIPP market place. We have a strong 'can do' approach in everything we do and common sense most certainly prevails!

You can pick up the phone and get a knowledgeable consultant on the other end, our administrators are highly skilled and our processes are robust - thus ensuring all our clients receive the highest level of service and customer care.

The financial services industry is changing and the emphasis is undoubtedly on treating customers fairly. This will no longer just constitute a service promise; clients will demand more from providers.

New Product Launches

We firmly believe in meeting the needs of our clients and testament to this is the planned launch of two new products to the Dentons range.

The first is our Single Portfolio SIPP. This is the ideal place for those clients who have only a discretionary fund manager arrangement, but who still require the same level of service and attention to detail that can be expected from us. Given the simplified asset structure we can offer this SIPP at a reduced annual cost, compared to our bespoke SIPP option

and minimum fund left on death.

Both products are due to be launched within the next few months, please contact us if you would like any further information or a visit to outline the features and benefits of each plan.



The second is a Flexible SIPP which enables the client to take advantage of Scheme Pension, which, if reviewed and managed carefully, can result in maximum income

Commercial Property - Changes To Borrowing Rules

Pre Pension Simplification both SIPP and SSAS were able to borrow up to 75% of the value of the property to be acquired.

However, post April 2006, new rules restricted new borrowing to just 50% of the net value of the fund. An unfortunate consequence of the legislation was that any re mortgage to a new lender of pre simplification borrowing was prevented if the amount exceeded the new borrowing limits.

With some SIPP lenders looking to impose adverse conditions at review dates, HMRC has recognised the unfairness of the position and will now allow a pre A day advance to be replaced by a new loan, provided the loan capital does not increase and no outstanding interest is rolled in.

Dentons Events

In honour of our 30th anniversary we are pleased to announce that we are planning to host a series of networking lunches over the summer.

This is our way of saying thank you to our existing introducers and to introduce ourselves to those who do not yet know us. These are planned throughout the summer in various locations; please contact us if you would like to attend.



Finally....

We would like to introduce you to a new member of the Dentons team. Janette Harvey.

Janette joins the Business Development team and it is likely that many of you will meet her in the near future. As her job title suggests she will be a main point

of contact for new business enquiries and is likely to want to turn up at your offices for a chat and to introduce herself in person, very soon.

Contact Us

Please contact us, using the details below, if:-

- You would like to receive this newsletter electronically
- You feel that this newsletter would be of benefit to your colleagues
- You would like to suggest any topics for future editions

Dentons Pension Management Limited

Marketing Department
Linden House, Woodside Park,
Catteshall Lane,
Godalming, Surrey GU7 1LG

Tel: 01483 521521 • Fax: 01483 521515
Email: enquiries@dentonspensions.co.uk
www.dentonspensions.co.uk

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