

SSAS Takeover

A Case Study

Mr Taylor runs a family business, Taylor Engineering Ltd, and along with his three sons and daughter, operates a Small Self Administered Scheme (SSAS). They are frustrated at the poor levels of service being provided by their current Professional Trustee - a life office. They want to replace the life office with Dentons, whose core activities are the provision of dedicated SSAS administration and Professional Trustee. Mr Taylor is delighted to learn that this can be quite straightforward.



Facts:

- > The existing SSAS is currently administered by a life office and is worth around £1.2m (including commercial property)
- > In order to obtain reduced fees, a proportion of scheme assets are invested into the life office's own funds, which are performing poorly
- > The Member Trustees want more meaningful information about their investment and benefit options (which has been difficult to get from the life office) and a proactive Professional Trustee to help re-energise the SSAS to meet the Taylor family's current needs both now and in the future.

Process:

- > Dentons meets with Mr Taylor and his children (all of whom are Member Trustees), along with their Adviser, to understand their needs and desires
- > With the Member Trustees' authority, Dentons request details of the SSAS from the life office
- > Dentons produce deeds which will replace the life office with Dentons' wholly owned trustee company, Denton & Co Trustees Limited, as Professional Trustee
- > Investments will be re-registered to include Denton & Co Trustees Limited. This should not give rise to Stamp Duty or, in the case of commercial property, Stamp Duty Land Tax
- > Denton & Co Trustees Limited is added to the SSAS's online records with HM Revenue & Customs (HMRC) as a Scheme Administrator so that Dentons can deal with the Scheme Administrator's duties and responsibilities (e.g. reports and returns to HMRC and information to Members)
- > The Member Trustees can maintain their relationships with any existing advisers such as financial adviser, accountant, investment manager(s) and solicitors.

NB: Please see the Key Points on the next page.

Result / Advantages:

- > The Taylor family now has an acknowledged specialist provider of SSAS services in place
- > Dentons relieve the Member Trustees of the burden of complying with the duties and responsibilities of the Scheme Administrator
- > Dentons provide the Member Trustees with full details of the investment and benefit options under the SSAS
- > The Member Trustees' consult their adviser(s) as to investment strategy, unencumbered by any restrictions the life office had imposed
- > The adviser(s) can build relationships with the SSAS's dedicated administration team at Dentons

Key Points:

- › Dentons approach offers flexible SSAS investments and does not require investment into life office funds
- › An existing Professional Trustee can be replaced by Denton & Co Trustees Limited
- › A takeover is the transfer of SSAS services from one party to another and the re-registration of investments to include the new Professional Trustee
- › Dentons may require copies of environmental risk assessments and asbestos management plans for properties held in the SSAS
- › Dentons can provide all the administration, consultancy and technical services required for a SSAS
- › The time taken to complete a SSAS takeover will depend on the assets being transferred and the response from the ceding provider
- › The takeover will be charged on a time cost basis, and will depend on a number of factors including the number of members within the scheme, the types of assets and if any members are taking benefits.

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If VAT may be applicable, you should seek specialist advice.

Whilst the names used in this case study are fictitious, the processes described have been used in actual cases.

Please note that every care has been taken to ensure that the information provided is correct and in accordance with our understanding of current law and HMRC rules, which are both subject to change.

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