

# Dentons SSAS establishment procedure

## SSAS overview

Small Self-Administered Schemes (SSASs) can offer an extremely flexible and tax efficient means of building pension provision for directors and employees of limited companies.

They also allow the scheme members in their capacity as trustees to control the scheme's investments. A SSAS is a Registered Pension Scheme with Her Majesty's Revenue and Customs (HMRC) and as such, there are responsibilities and obligations on the scheme trustees and/or the Scheme Administrator.

These duties include providing information to HMRC, scheme members and other pension schemes.

Since 2006, the need for a professional trustee to fulfil these functions has not been an HMRC requirement and member trustees may manage their own administration. However, in practice, the knowledge needed to fulfil this role is great and the potential tax penalties and fines for omissions or errors can be high.

In September 2014, HMRC introduced a requirement for the Scheme Administrator to satisfy their 'fit and proper person' criteria.

Individuals operating without professional assistance may struggle to meet their duties and conflicts may arise where they are acting in the capacity of company director/member/trustee. An independent specialist, such as Dentons, is often the way to avoid these problems.

SSAS practitioners may offer a variety of services but we believe that the only way the client can be fully reassured that the scheme is operating correctly is if a proactive role is provided.

## The establishment process

The establishment process for a Dentons SSAS is outlined below:

1. Completion of the following four SSAS proformas:
  - a. Company details
  - b. Pension Scheme details
  - c. Member details
  - d. Accountants details

Plus

Please provide a copy of the sponsoring company's Memorandum & Articles.

When completed, please return these forms to:

Dentons Pension Management Ltd,  
Sutton House, Weyside Park,  
Catteshall Lane, Godalming,  
Surrey, GU7 1XE

Or email them to:

[enquiries@dentonspensions.co.uk](mailto:enquiries@dentonspensions.co.uk)

Once received we are able to arrange for the preparation of the following documents:

- a. Trust Deed
- b. terms of business
- c. new member application form – per member
- d. principal employer board minutes
- e. resolution appointing advisers
- f. data protection resolution
- g. appropriate bank mandate
- h. letter of authority if there are any transfers in.

These documents should be sent to the Employer and Member(s) to sign and then return to Dentons (or via the IFA).

2. Once the Trust Deed has been executed by all parties, the Scheme is established and an online application form is submitted to HMRC for registered status.

**Please note:** Scheme registration is a two stage process and can take between 3 and 6 months.

No contributions or transfers can be paid to the Scheme until confirmation has been received from HMRC that the Scheme has been registered.

3. Database records created.
4. Documents returned to client (or via the IFA) with a Member's guide for each member.
5. If there are 2 or more members, the scheme is also registered with the Pensions Regulator.
6. Transfers (if applicable) and/or contributions can be paid to the Scheme.

## Dentons provides the following services

### Co-Trustee

- > Ensuring good title is held to all scheme assets, and providing guidance where necessary on all trustee issues.

### Co-Signatory

- > Ensuring no unauthorised payments are made from the scheme or inappropriate assets purchased.

### Scheme Administrator

- > The party responsible for notifying HMRC within the deadline any reportable events including the annual pension scheme tax return and accounting for any tax due and any tax to be reclaimed.

### In addition Dentons can provide the following services:

- > scheme health check on existing schemes highlighting any areas that may require attention
- > scheme documentation to address changes in legislation
- > scheme takeover service where required
- > quality, and bespoke administration service tailored to the clients/advisers requirements
- > named individuals handling all aspects of the scheme's administration
- > pre investment review service to determine if approved investment can be held within a SSAS
- > annual member statements and scheme allocations (fund split between members)
- > trustee meetings as required

- > benefit calculation service (which lay Trustees may find very difficult without Professional Trustee assistance)
- > lifetime allowance (LTA) certificate provided
- > pension Payroll Services
- > competitive transparent fee structure based on the time taken to fulfil the scheme requirements (so that one client does not cross-subsidise another)
- > targeted money purchase calculations (which can be invaluable in helping members to understand where they are currently in terms of funding and what funding is required to achieve their fund/income needs at retirement age)
- > autonomy to clients to select their own professionals (Solicitors/Valuers)
- > considerable experience through our Pension Consultants.

## SSAS opportunities

SSASs are member-directed registered pension schemes and thus offer a wide range of permitted investment opportunities. In addition to those offered by Self Invested Personal Pensions (SIPPs), a SSAS can lend money to the sponsoring employer providing 5 key criteria are met:

1. up to 50% of the fund can be loaned
2. maximum term for the loan must be for no more than 5 years
3. equal repayments of capital and interest monthly or quarterly
4. minimum interest rate a scheme

- may charge is calculated at 1% above the average of the base lending rates of 6 leading high street banks
- 5. the loan must be secured by a first charge on a suitable asset of at least the equivalent value to the loan plus interest.

## What we don't provide

We do not provide an accounts preparation service or the promotion of any investment proposition to members.

Our role is solely to ensure the scheme remains in a good state of administration.

This is what we concentrate on doing – rather than being distracted by other avenues of activity.



Dentons Pension Management Ltd  
Sutton House, Weyside Park  
Catteshall Lane, Godalming  
Surrey GU7 1XE

T 01483 521 521  
F 01483 521 515  
E [enquiries@dentonspensions.co.uk](mailto:enquiries@dentonspensions.co.uk)  
W [www.dentonspensions.co.uk](http://www.dentonspensions.co.uk)

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