

SSAS Loan to a Sponsoring Employer

A Small Self Administered Scheme (SSAS) can lend up to 50% of its net assets in aggregate to one or more sponsoring employers of the SSAS, subject to certain conditions as outlined below.

Each loan will be subject to individual approval by Dentons.

Name of SSAS (if known)

Adviser contact details (if applicable)

Adviser name

Adviser company name

Telephone number

Email

Please provide full details of who you wish to make the loan to.

Name of company

Company number

Registered address

Postcode

Type of trade/business

Please note:

Provide a brief description of the company's trade or business.

Loan details

Please provide full details of what the funds are required for.

Please note:

The loan must be for the benefit of the borrower's business. If the loan is to be used to acquire taxable property, you must be able to satisfy the third bullet point in the declaration on page 3.

Conditions of loan

Total value of SSAS funds

Please list the individual assets and their values

Amount of loan

Term of loan

 Years

The maximum term allowed is 5 years from the date the loan is advanced. The total amount owing, including interest, must be repaid by the loan repayment date.

Capital and interest repayment terms

Monthly Quarterly

The loan must be repaid in equal installments of capital and interest in each loan year on a monthly or quarterly basis throughout the term. Failure to pay the required amount in a loan year may give rise to a tax penalty.

Fixed interest rate

 %

The minimum interest rate a scheme may charge is calculated at 1% above the average of the base lending rate of six leading high street banks. Higher rates may be charged but only if the terms applied mirror a commercial loan offer and can be evidenced.

Security

Please provide details of the security to be given.

Current valuation of the property

The main acceptable form of security is commercial property, and must be secured by a first charge of at least the equivalent value to the loan plus interest. The asset used as security need not be owned by the borrower. In addition to this HMRC requirement, this loan and all existing loans to sponsoring employers must not exceed 70% of the market value of the security.

Details of the solicitor who will be producing the appropriate documentation eg legal charge and loan agreement.

Solicitor contact name

Solicitor company name

Solicitor address

Solicitor company telephone

Contact email address

Please note:

Loans to sponsoring employers are restricted to 50% of the net asset value of the SSAS, and can't exceed 70% of the value of the property used as security less any existing loans to sponsoring employers.

Please note:

We will require a formal valuation of the property by a Royal Institution of Chartered Surveyors' Registered Valuer, dated within the last three months.

Declaration

I confirm as both a Member and a Trustee that:

- > I/We have provided all relevant information and it is true and correct to the best of my/our knowledge.
- > I/We understand the risks of lending from my/our SSAS.
- > I/We understand that if the loan from the SSAS is used to acquire taxable property such property is to be used only for the purposes of the borrower's trade, profession or vocation or for the purposes of the borrower's administration or management, and after it has been acquired, the property cannot be occupied or used personally by a SSAS member or a connected person.
- > I/We understand that Dentons cannot comment on the appropriateness of the loan as an investment for the SSAS.
- > I/We understand that the proposed property offered for security is subject to individual approval by Dentons and that the solicitor, accountant and lending fees can be settled by the SSAS. Where the acceptable security is residential property, the borrower must bear all the costs of setting up the loan.
- > I/We understand that Dentons recommend that I/we take financial advice before undertaking this loan. I/We confirm that (please delete as appropriate) I/we have taken financial advice / I/we have not taken financial advice.
- > I/We understand the penalties for breaching the terms of the loan agreement are severe. Where this applies the loan may be treated as an unauthorised payment and may give rise to tax penalties on the sponsoring employer and the SSAS trustees as 'scheme administrator'.
- > Should a tax charge apply to the SSAS trustees, this will be payable from my/our SSAS funds or I/we could become personally liable for any shortfall.

Trustee name 1

Date (DD/MM/YYYY)

Trustee signature

Trustee name 2

Date (DD/MM/YYYY)

Trustee signature

Trustee name 3

Date (DD/MM/YYYY)

Trustee signature

Trustee name 4

Date (DD/MM/YYYY)

Trustee signature

Definitions

Associated person

An associated person includes a SSAS member, any connected person, any pension scheme relating to a member or a connected person and any associated pension scheme.

Connected person

In relation to a SSAS member, a connected person broadly includes their spouse or civil partner, their relatives (including children, brother, sister, parent, grandparent, grandchild), the relatives of the member's spouse or civil partner, the spouse or civil partner of a relative of the member, the spouse or civil partner of a relative of the member's spouse or civil partner, partners in a partnership business in which the member or a connected person is a partner, companies controlled by the member and/or associated person(s), and trustees of certain settlements.

Sponsoring employer

A company is a sponsoring employer provided it has completed a deed either to establish or participate in the SSAS and at least one of its employees is a member of the SSAS.

Taxable property

Taxable property means residential property and/or tangible moveable property (eg plant and machinery, motor vehicles, fixtures, fittings and furnishings that are not part of the fabric of a building, and office equipment although any item that is worth no more than £6,000 and is held solely for the purposes of the administration or management of the company, and is not available for the personal use of a SSAS member or a connected person, is exempt).

The direct or indirect holding of taxable property by a SSAS is an unauthorised payment and may give rise to tax penalties on the SSAS members and the scheme administrator.

For office use only

Reconciliation of SSAS assets listed

Current value of SSAS assets

% of loan to SSAS fund
(taking into account any existing
loans to sponsoring employers).

 %

Advice required?

Yes No

Loan accepted?

Yes No



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
W www.dentonspensions.co.uk

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Dentons Pension Management Limited is authorised and regulated by the Financial Conduct Authority, register number 461094.

VAT number for Dentons Pension Management Limited is 863 1639 14.

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