

New SSAS - commercial property purchase.

A fee case study

The facts

Four Directors of a small limited company business have been advised by their financial adviser to establish a SSAS pension scheme. They will fund the SSAS through tax relieviable employer contributions and the SSAS will purchase the company's commercial property without the need for any pension scheme borrowing, but the property is opted to tax (VAT registered).



The fees

The following fees will be charged:

Year 1

Establishment	£950
Employer contribution	£Nil
Property purchase ¹	From £990
Environmental report	£154
VAT registration	£195
Quarterly VAT returns (x4) ²	£520
Issuing quarterly rent invoices (x4) ³	£Time cost
Annual property administration ⁴	£Time cost

Total one-off cost to create the SSAS, have funds paid-in and make the initial investment. £2,809

Please note: Additional legal fees will also apply.

Year 2

Administration fees per annum	£1,800 - £1,900
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¹ Fees for a property purchase are on a time cost basis with a minimum charge of £990.

² If Dentons submit a VAT return, a charge of £130 per return will apply.

³ Dentons will charge time-cost fees for issuing rental invoices, reconciling rental receipts, liaising with member trustees/ advisers regarding property insurance, and for other property administration as required.

Dentons will arrange for the property to be insured under a block policy arrangement unless alternative arrangements are required or the property is a leasehold and the freeholder arranges the insurances.

⁴ Clients can manage their own property or appoint a property manager. Dentons does not provide property management services.

We will charge additional fees if we have to chase or follow up any outstanding items or assist with the management of the property.

All fees shown are for illustrative purposes only and should not be relied on for a client's individual circumstances.

Please note

- > Dentons' approach offers flexible SSAS investments and does not require investment into life office funds
- > Fees are normally deducted six months in arrears but can be paid by the employer rather than being deducted from the default bank account
- > We reserve the right to review our fees when necessary and to collect fees on a more frequent basis if required
- > Fees will increase annually on 1st January
- > Clients can manage their own property or appoint a property manager. Dentons does not provide property management services
- > Dentons does not insist on the use of panel solicitors or surveyors
- > Fees paid will depend upon the complexity of the SSAS, including the number of members, assets held and whether benefits are taken. These fees assume that Member Trustees wish to self-manage the property
- > All fees are subject to VAT.

Please contact your Business Development Manager, Sales & Marketing or your Dentons Pension Consultant for a fee estimate.

Notes

- This case study is for Financial Adviser use only and not for use by retail clients
- All fees shown are for illustrative purposes only and should not be relied on for a client's individual circumstances
- Please contact your Business Development Manager, Sales & Marketing or your Dentons Pension Consultant for a fee estimate
- All statements concerning the tax treatment of products and their benefits are based on our understanding of the current law and HM Revenue & Customs (HMRC) rules. These are for general guidance only and do not constitute professional advice. The tax treatment depends on the individual client circumstances and may be subject to change. Whilst every effort has been made to ensure accuracy, no liability can be accepted for any errors or omissions
- If VAT may be applicable, you should seek specialist advice
- Any names used in this case study are fictitious, however the processes described have been used in actual cases
- Dentons will not provide advice on the suitability of investments but reserves the right to refuse to hold any proposed investment in the scheme
- 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
- Dentons can provide all the administration, consultancy and technical services required for a SSAS.



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