

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 thrilled to learn that this can be quite straightforward.



The facts

- › The existing SSAS is currently administered by a life office and is worth around £1.2 million (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.

The 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, with the exception of commercial property, will be re-registered to include Denton & Co. Trustees Limited. The commercial property will be registered in the names of the Member Trustees and there will be a restriction placed on the Land Register to prevent sale or mortgage of the property without Dentons' consent. 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.

The result

- › 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.

Notes

- > This case study is for Financial Adviser use only and not for use by retail clients
- > 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, other than commercial property, 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.
- > 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
- > Whilst the names used in this case study are fictitious, the processes described have been used in actual cases
- > 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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