

# New SSAS - loan to the sponsoring employer.

## A fee case study

### The facts

Four Directors of a small limited company have been advised by their financial adviser to establish a SSAS pension scheme and to use some of the SSAS funds to provide a loan to the sponsoring employer. They fund the SSAS through tax relievable employer contributions and one cash transfer each from a defined contribution scheme.



### The fees

The following fees will be charged:

#### Year 1

Establishment	£950
Transfer-in (£75 per cash transfer x 4)	£300
Employer Contribution	£Nil
Loan to the sponsoring employer	£575
<hr/>	
Total one-off cost to create the SSAS, have funds paid-in and make the initial investment.	£1,825

**Please note:** Additional legal fees will also apply.

#### Year 2

Standard administration per annum	£1,400 - £1,500 per annum
-----------------------------------	---------------------------

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
- Fees paid will depend upon the complexity of the SSAS, including the number of members, assets held and whether benefits are taken
- Loans to a sponsoring employer can only be made if strict criteria are met relating to maximum amounts, repayments, loan term, interest rates and security. The main acceptable form of security is commercial property and must be secured by a first charge on at least the equivalent value to the loan plus interest
- Loans to individuals (including members), partnerships or trusts and companies connected with members (including companies that are associated with the sponsoring employer but do not participate in the SSAS) are not permitted
- Clients will need to evidence 'commercial terms' for the loan - e.g. a quote from a financial institution
- 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
- > Any names used in this case study are fictitious, however 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
- > Dentons can provide all the administration, consultancy and technical services required for a SSAS
- > Dentons will not provide advice on the suitability of investments but reserves the right to refuse to hold any proposed investment in the scheme
- > If a loan to a sponsoring employer fails to satisfy any of the criteria, it will be an unauthorised employer payment and give rise to tax penalties
- > Any security value which falls short of the secured debt may be treated as an unauthorised employer payment and could give rise to tax penalties on the sponsoring employer and the SSAS.



**Dentons Pension Management Limited**  
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)

Dentons Pension Management Limited, Denton & Co. Trustees Limited, NTS Trustees Limited, TP Trustees Limited, Sippchoice Trustees Limited, Fairmount Trustee Services Limited and M.A.B. Trustee Company Limited are registered in England & Wales under numbers 02352951, 01939029, 01407848, 02604059, 06869793, 01909678 and 01604556 respectively. Registered office at Sutton House, Weyside Park, Catteshall Lane, Godalming, Surrey, GU7 1XE.

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.

DPM.SSAS.Loan.FeeStudy.0125