

New SSAS - loan to the sponsoring employer.

A fee case study



The facts

Four Directors of a small business have been advised to establish a SSAS pension scheme and use the SSAS to provide a loan to the sponsoring employer. They fund the SSAS through employer contributions and one cash transfer from a DC scheme each.

The Fees

The following fees will be charged:

Establishment	£950
Transfer-in (£70 per cash transfer)	£280
Employer Contribution	£Nil
Loan to the sponsoring employer	£575
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Total fee in Year One	£1,805
Expected ongoing costs:	
Standard administration	£1,400 - £1,500 per annum

Please note: Additional legal fees will also apply.

All fees shown are for illustrative purposes only and should not be relied on for your own individual circumstances.

Please note

- Dentons approach offers flexible SSAS investments and does not require investment into life office funds
- All 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
- 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.

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

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 your own individual circumstances
- Please contact your Business Development Manager, Sales & Marketing or your Dentons Pension Consultant for a quote
- 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
- 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
- Dentons can provide all the administration, consultancy and technical services required for a SSAS
- 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.



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