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COMPANY REGISTRATION NO. 08924433 VAT REG NO. 196261876 REGISTERED IN ENGLAND AND WALES

**AVANTIS WEALTH**  
HIGH RETURN ALTERNATIVE INVESTMENTS



# Welcome

SSAS – A tale of Business Success, Tax Savings and Family Wealth Creation



Who Are We ?

What Do We Do ?



# What is a Small Self Administered Scheme? (SSAS)



- Occupational Pension Scheme
- Set up by a Sponsoring Employer
- Designed for Directors and Business owners



- Each SSAS is Individually registered with HMRC
- All members are member trustees
- Wide range of investment options
- Members can transfer existing UK registered pensions to a SSAS



- 1 Members
- 2 Contributions
- 3 Investments
- 4 Benefits
- 5 Death



# Who can be a member?

- ❖ Family members
- ❖ Max. 11 members
- ❖ Members do **not** have to be employed by the sponsoring employer
- ❖ Look to employ family members





## Contributions

- Contributions can be made by the sponsoring employer
- The individual member



# How Much Can You Contribute ?



- **Annual Allowance**

- The amount that can be contributed each year to a pension while still receiving tax relief is currently based on earnings but capped at £40,000 per year. (Subject to rules for high earners > £150,000)
- You and your employer can use any unused annual allowance from the last three years if you had a registered UK pension in those years.
- Eg. 2017/2018
  - Had a pension for years, just not contributed, now a director in a company which makes good profits, what can my company pay into my pension and obtain tax relief on with no claw back for me?



- A Company Contribution for the director of
  - £160,000
- For the 17/18 Trading Period Should provide Corporation Tax relief @19% of:
  - **£30,400**

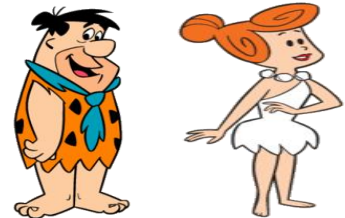


- **INVESTMENTS**

- **Investment Trusts; Bonds.**
- **Loan Notes**
- **Stocks and Shares; Unit Trusts; OEICS; and Third Party Loans.**
- **Gold; Gilts; Deposits.**
- **Commercial Property and Land.**



- Commercial Property
  - Fred and Wilma



- The property they owned personally was transferred to their trading company
- This created a positive directors loan account of £250,000
- The business then used the property as an 'in-specie' contribution to the SSAS



# The Tax Savings

- The positive directors loan saved them **£81,250** in dividend tax
- The company contribution of the property saved **£47,500** in Corporation Tax
- Stamp Duty Land Tax (SDLT) payable was **£4,000**
- **Total Tax Savings: £124,750**

## Additional Tax Savings

- The rent they received and were paying tax on saved them **£8,000** per annum
- The property was now out of their estate for Inheritance Tax (IHT) purposes saving them a further **£100,000**







## Benefits

- No further Capital Gains Tax (CGT) on any increase in the property value
- Property was now protected from creditor
- No Inheritance Tax issues in the future and tax free rent
- With the property owned by the SSAS, the asset was now easy to pass on to the next generation



## So why is this so good?

2 rule changes in 2015, turned SSAS in to the best tax plan EVER!

- Access to benefits from age 55.
- Removal of the death tax charge, and the ability to pass on benefits to any beneficiary.



- **TAKING BENEFITS**

- **Up to 25% Tax Free Cash**
- **No Restrictions on the Income You can Take Out.** (Subject to Income tax at your highest marginal rate)



# Income Flexible Drawdown

	Mr Smith £	Mrs Smith £	Total £
<b>Pension Drawdown</b>	<b>25,000</b>	<b>25,000</b>	<b>50,000</b>
Less Personal Allowance	(11,500)	(11,500)	(23,000)
Taxable Income	13,500	13,500	27,000
Tax @ 20%	2,700	2,700	5,400
<b>Net Income</b>	<b>22,300</b>	<b>22,300</b>	<b>44,600</b>
Effective Tax Rate	10.8%	10.8%	10.8%



The Only Certain Things In Life

# DEATH AND TAXES

BENJAMIN FRANKLIN



- **TAX WE HAVE MITIGATED**

- **Corporation Tax / Income Tax**
- **Capital Gains Tax**
- **Inheritance Tax**
- **+ Tax Free Growth on Investments**

## Bad News

- Fred dies aged 74  $\frac{3}{4}$
- Value of Fred`s part of the SSAS £850k
- Wilma`s value also £850k
- Trustees now look at Letter of wishes





## Wilma and the kids

- After Fred`s death, Wilma and the kids each receive a death bequest. The income they can draw is tax free.
- Kids do not need to wait until they reach age 55 to draw funds
- The death bequest does not count towards their Lifetime Allowance.
- All funds are held in the SSAS, NO IHT!



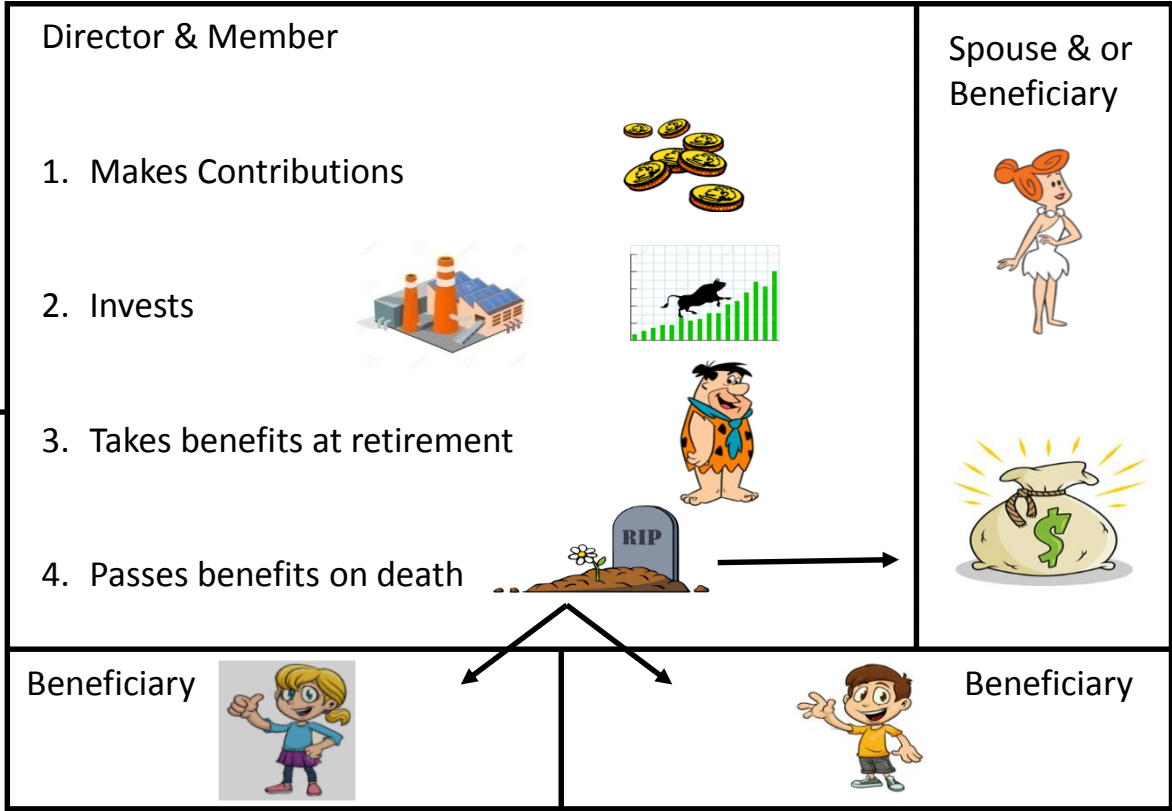


# Wilma

- Wilma lived on to a ripe old age, drawing tax free income for a number of years.
- Wilma revised her LOW several times and eventually left her fund on death to Barney and Pebbles 25% each.
- The balance was left to the 2 children of Barney, 25% each, as they were also now members of the SSAS.



Sponsoring Employer



Tax free cash



Income



Income





# • QUESTIONS

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