

Client Scenario

Mr and Mrs Haitch want business continuity and peace of mind

Family Pension Trust

Structured to open new opportunities in retirement and wealth planning.

- Scheme structure widens investment opportunities and benefit payment options.
- Assets may be transferred to the scheme in specie.
- Income from assets can fund benefit payments, without forcing the sale of scheme assets.
- Succession planning opportunities for investments and death benefits.
- Comprehensive, flexible benefit options enable retirement income to be phased.
- Provides flexi-access drawdown, scheme pension and uncrystallised funds pension lump sum.
- Death benefits can be paid in specie.
- Groups of like-minded individuals can join together under a single pension arrangement.
- Investments can be made by individual members, or by group(s) of members pooling in common investment fund(s).
- Different attitudes to risk can be catered for.
- Multiple common investment funds can be established, to access new investment opportunities, or new investment partnerships with other scheme members.
- Administration is of a truly bespoke nature and each scheme has a dedicated administrator.

A married couple, who are worried about ill health compromising the running of their business turn to a Rowanmoor Family Pension Trust to provide retirement and death benefits, and peace of mind.

- Married business owners in their 50s.
- The couple is funding retirement via SIPPs.
- Business premises are an asset of husband's SIPP.
- Retirement may force sale of the property.

Funding

Member	Transfer
Mr Haitch	£ 300,000
Mrs Haitch	£ 300,000
Total	£ 600,000

Investment

Common Investment Fund

Property	£ 250,000
Equities	£ 250,000
Member	Investment
Mr Haitch	£ 250,000
Mrs Haitch	£ 250,000

Individual Investment Funds

Cash	£ 50,000
Mrs Haitch	£ 50,000
Equities	£ 50,000
Mr Haitch	£ 50,000

Meet Mr and Mrs Haitch

Both Mr and Mrs Haitch have been funding for retirement through self-invested personal pensions (SIPPs).

Each has existing SIPP assets of around £300,000. Mr Haitch's SIPP assets include the company premises, which have recently been valued at £250,000. Mr Haitch has suffered from ill health over recent years and the couple is concerned that the property will need to be sold, and the company may need to cease trading, if Mr Haitch is unable to continue working. Mrs Haitch also works for the business and has a SIPP invested in easily realisable assets, including cash deposits. She intends to continue to run the company in the absence of Mr Haitch.

By establishing a Family Pension Trust and transferring the assets of their SIPPs, including the in specie transfer of the company premises, into the scheme the business premises can be retained, even if Mr Haitch stops work and starts to receive benefits.

Once the new scheme has been established, some or all of the assets can be placed into a common investment fund, under joint ownership. Should Mr Haitch's health deteriorate, the easily realisable assets transferred from his wife's SIPP can be used to pay benefits, removing the need to sell the property. Also, as there is no mortgage to be repaid, the property rental income will ensure cash continues to flow into the common investment fund.

Mr Haitch is in ill health and the comprehensive flexibility of benefits options available will help him to phase his retirement income, enabling him to increase the payment of benefits at short notice, if his health deteriorates. By taking some benefits as flexi-access drawdown, following payment of the pension commencement lump sum, he can receive a regular stream of income, which can be supplemented with additional cash paid as either an uncrystallised pension lump sum, or a lump sum flexi-access drawdown, if required.

Succession planning options afforded by the Family Pension Trust for investments and death benefits provide Mr and Mrs Haitch with financial security by permitting their funds to be retained by the scheme should they die. Any funds passed on in this way, if Mr or Mrs Haitch die before age 75, will be paid tax-free to nominated beneficiaries, or their successors, when they are taken. The succession planning this offers enables funds to remain in a tax efficient environment, with the added bonus that the sale of the property may not be required.

This scenario illustrates some of the features of a Rowanmoor Family Pension Trust. It is based upon our understanding of current pensions law and taxation and is correct at the time of publishing. Professional advice from a suitably qualified adviser should always be sought when considering retirement planning.

For more information on Rowanmoor's products and services please visit our website www.rowanmoor.co.uk, call 03445 440 550, or email enquiries@rowanmoor.co.uk.



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