

## EXPLANATION OF WHY TO RECOMMEND A ROWANMOOR SSAS

Rowanmoor are not advocating that you use this wording when recommending our SSAS to your clients, it is an explanation of what we offer and is for use by Professional Advisers only.

The wording which follows has been prepared to help you explain the Rowanmoor SSAS when recommending the product to your clients.

No risk warning, objective or taxation issue explanations have been included in the text as these will vary from client to client. Investment risk also depends upon the types of assets that are held within the SSAS. As adviser it is your responsibility, and not ours, to ensure that any communication provided to the client is fully compliant with regulatory requirements.

The Rowanmoor SSAS is a small self-administered scheme (SSAS) established under trust by an employer, known as the principal employer, for the benefit of scheme members. It is a registered occupational pension scheme with 11 or fewer members.

Under the Rowanmoor SSAS the principal employer appoints Rowanmoor Trustees Limited as independent trustee and Rowanmoor Executive Pensions Limited as Scheme Administrator. The members are also trustees of the scheme and are referred to as member trustees. The trustees are responsible for, and control, all aspects of the SSAS's investment strategy and the payment of any benefits. All decisions made by the member trustees must be unanimous.

The employer and members may contribute to the scheme and it is also possible for third parties to make contributions provided the member is a UK resident. It should be noted that the member will only receive tax relief on these contributions up to the age of 75. Member contributions are usually deducted by the employer direct from pay, but other methods of contribution may be permissible. Member contributions normally benefit from tax relief and contributions made by an employer qualify for tax relief in the year they are made, provided they are wholly and exclusively for the purposes of the employer's trade. The scheme will accept transfers of existing benefits from other pension arrangements, including those in income drawdown.

The Rowanmoor SSAS is structured to provide a wide range of investment choice available under current legislation. Most asset types are permitted provided:

- the asset does not give rise to an unauthorised payment charge;
- Rowanmoor can obtain satisfactory title to the asset;
- ownership of the asset will not give rise to an unacceptable liability or risk; and
- examples of investments we will not consider include overseas property, hotel rooms and intellectual property.

The member trustees may use the funds within the SSAS to invest in their business through secured loans, or by purchasing property to lease back to the business at an open market rent. All investment decisions are taken by all trustees in line with the scheme's overall investment strategy. The trustees must obtain written advice on all investment decisions they make from a person they consider suitably qualified and experienced to provide that advice.

A Rowanmoor SSAS offers members the widest choice of options available when taking benefits. All or part of the fund may be used to provide pension benefits, which may be taken at any point from age 55, and there is no requirement to retire or to stop work before taking benefits. The flexible benefit options enable retirement income to be phased to suit each member's requirements. This includes taking a tax-free pension commencement lump sum and taxed income as flexi-access drawdown, or taking an uncrystallised funds pension lump sum, 25% of which is tax-free with the remainder subject to income tax at the member's marginal rate. Alternatively, a lifetime annuity may be purchased from a life assurance company.

In the event of a member's death before age 75 their funds, up to the current lifetime allowance, can be paid as a lump sum, or be used to provide individual beneficiaries' pensions tax-free. We are not able to pay income to a trust. Where a trust is the beneficiary we can only pay lump sums, which are taxed at 45%.

If a member dies at, or after, age 75 their funds can be paid to their beneficiaries taxed at the recipient's marginal rate of income tax. If the beneficiary is not an individual, for example a trust fund or a company, a 45% tax rate will apply.

On death, subject to the trustees discretion, funds can be passed on to other scheme members in the form of Flexi-access drawdown. This way pension wealth can be retained in the scheme for multiple generations of nominated beneficiaries until capital lump sums or income are required; particularly useful for a family owned business. Any funds passed on in this way, by a member who dies before age 75, will be paid tax-free to nominated beneficiaries, or their successors, when they are taken. This offers succession planning and keeps funds within a tax-efficient environment to provide ongoing financial security.

Rowanmoor is one of the UK's largest independent SSAS providers. Its role is to provide the supporting administrative framework for the SSAS and guidance on legislative issues, so that members can gain maximum benefit from the scheme. Rowanmoor SSAS fees are competitive for the level of service offered.

A market leader in SSAS administration, over the years, Rowanmoor has won the confidence of some of the country's major life offices, who have entrusted it to administer their own SSAS portfolios from its administration centres in Salisbury and Bolton. The company has a reputation for the quality of its services, its expertise and its innovation.

The information contained in this document is based on our understanding of current pensions law and taxation and is correct at the time of production.

The information contained in this document does not constitute financial or other professional advice and should not be used in isolation in any suitability report or letter.



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