

## Product Overview

A Rowanmoor Defined Benefit SSAS is an occupational pension scheme designed for employers who want to maximise the provision of pension benefits for directors and key employees in a given year. The Rowanmoor Defined Benefit SSAS differs from most other SSASs by providing a defined level of scheme pension for members at normal pension age instead of defining levels of contributions prior to taking benefit.

This leaflet is designed to give a brief overview of the features of the Defined Benefit SSAS. For more details of Rowanmoor's products and services please call our Sales Support Team on 01722 443 742, or visit our website [www.rowanmoor.co.uk](http://www.rowanmoor.co.uk).

### Availability

The Rowanmoor Defined Benefit SSAS is designed for use by business owners for themselves and their employees.

### Tax status

A registered pension scheme as defined under paragraph 153 of the Finance Act 2004.

### Scheme type

Small occupational scheme (fewer than 12 members). Established as a discretionary trust.

### Scheme Administrator

Rowanmoor Executive Pensions Limited.

### Trustees

The members.

Rowanmoor Trustees Limited is appointed as independent trustee.

All scheme members are appointed as member trustees.

### Appointed scheme advisers

Scheme Adviser – Client's financial adviser or other suitably qualified individual.

Investment Adviser – Client's financial adviser or other suitably qualified individual.

Scheme Actuary – Rowanmoor Executive Pensions Limited.

### Scheme year end

5 April.

### Services - administration

Providing legal trust documentation to establish and govern the Defined Benefit SSAS and where necessary amending it. Registering the scheme with HM Revenue & Customs (HMRC). Defined Benefit SSAS administration services. Keeping records of scheme investments, income and expenditure. Calculating and reviewing benefit payments. Technical support regarding the Defined Benefit SSAS, its investments and benefits. Liaising with HMRC where necessary and filing the scheme reports required by them. Making any payment due to HMRC from the scheme bank account. Preparing unaudited scheme accounts as at 5 April each year to coincide with HMRC's reporting requirements.

<b>Fees</b>	Please refer to the Rowanmoor Defined Benefit SSAS Fee Schedule.	
<b>Contributions</b>	Members can only contribute to the scheme at a rate determined by the employer. Tax relief will only be granted on contributions up to 100% of earnings in any tax year. Tax relief is also limited by the annual allowance, which may include the total of the current annual allowance and any unused qualifying annual allowance carried forward from previous tax years.	
Member		
<b>Employer</b>	Employer contributions will be limited to those calculated by the scheme actuary for an appropriate level of annual pension and will be detailed in the member's benefit schedule. Contributions may not exceed the funds required to provide the maximum annual pension accrual in a given tax year. Tax relief will be received in the year contributions are made provided they are wholly and exclusively for the purpose of the employer's trade.	
<b>Transfers</b>	The Defined Benefit SSAS may accept transfers from other registered pension schemes either as cash transfers or as invested funds (i.e. in specie). In return for the transfer value the scheme actuary will advise on the level of scheme pension payable from normal pension age.	
<b>Scheme bank account</b>	A scheme bank account is opened with Rowanmoor Trustees Limited's designated bank to hold the cash funds necessary to run the scheme. Rowanmoor Trustees Limited as independent trustee, is sole signatory to the account and acts under the instruction of the member trustees.	
<b>Investment opportunities</b>	<ul style="list-style-type: none"> <li>Cash and deposits</li> <li>Insured pension funds, including trustee investment plans (TIPs)</li> <li>Traded endowment policies (TEPs)</li> <li>Unit trusts and onshore and offshore open ended investment companies (OEICs)</li> <li>Investment trusts</li> <li>Structured products</li> <li>Equities, warrants and bonds quoted on the London stock exchange (including AIM) and ISDX Main Board</li> <li>Equities, warrants and bonds quoted on recognised worldwide stock exchanges</li> <li>Authorised collectives, platforms and investment portfolios</li> <li>Hedge funds and other alternative investment funds</li> </ul>	<ul style="list-style-type: none"> <li>Foreign exchange contracts</li> <li>Unquoted shares</li> <li>Commercial property, including overseas</li> <li>Hotels, prisons, care homes and public houses</li> <li>Hotel rooms, including overseas</li> <li>Forestry, woodland and agricultural land (UK only)</li> <li>Land, including land for development</li> <li>Secured loans to the principal employer or participating employer(s)</li> <li>Other ethical investments</li> <li>Gold bullion</li> <li>Intellectual property (including copyrights and patents)</li> </ul>
	*Whilst these investment opportunities are eligible under legislation and regulatory requirements, we may perform additional due diligence on these investments before accepting them.	
<b>Unacceptable investments</b>	<ul style="list-style-type: none"> <li>Residential property (including ground rent)</li> <li>Unsecured loans to the principal employer or participating employer(s)</li> <li>Loans to connected parties such as member trustees or their families</li> <li>Loans to unconnected third parties</li> <li>Carbon credits</li> <li>Landbanking</li> <li>Exchange traded futures and options, contracts for difference (CFDs) and other derivatives</li> </ul>	<ul style="list-style-type: none"> <li>Life settlements</li> <li>Tangible moveable property, including: Plant and machinery, wind turbines, solar panels, antiques, fine wine, furniture, jewellery and gemstones, oriental rugs, rare books and stamps, vintage cars, works of art, Krugerrands and yachts</li> <li>Harvestable commodities and plantations</li> </ul>

## Asset holdings

Assets are held in the name of the member trustees and Rowanmoor Trustees Limited and do not form part of the sponsoring employer's assets and are therefore protected from creditors.

## Borrowing

The Defined Benefit SSAS can borrow up to 50% of the net fund value of all scheme assets at the date of the loan.

## Members' benefits

A member's benefits may be taken (known as crystallisation), in whole or in part, at any time from age 55. When a member takes benefits from the scheme, and at age 75 if benefits have not been taken, the capital value of their annual pension from the Defined Benefit SSAS, calculated by the scheme actuary, and any other pension arrangements they have, will be tested against the current lifetime allowance.

Pension commencement lump sum, based upon the scheme pension payable from the Defined Benefit SSAS (approximately five times the accrued pension), calculated by the scheme actuary, but limited to a maximum of 25% of the lifetime allowance, tax-free.

### PLUS

Pension, subject to income tax, which may be taken in the following ways:

- scheme pension;
- lifetime annuity.

## Member dies before taking benefits

A defined benefit lump sum death benefit up to the lifetime allowance paid tax-free before the member is age 75. From age 75 all lump sum death benefits are 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.

In addition, subject to the member's benefit schedule, a dependant's pension can be paid.

The dependant's pension is subject to income tax and benefits may be taken as follows:

- a dependant's scheme pension;
- a dependant's annuity.

## Member dies whilst taking benefits

A pension protection lump sum death benefit, calculated by the scheme actuary, paid tax-free before the member is age 75. From age 75 all lump sum death benefits are taxed at the recipient's marginal rate of income tax.

### OR

A dependant's benefit can be provided as outlined in the section 'Member dies before taking benefits' above, following payment of any remaining guarantees.

If a member dies having only taken pension benefits from part of their fund the death benefits payable can be a mixture of those outlined above.

## Notes

Schemes that breach the investment rules, make illegal payments, or pass assets or liabilities to connected parties outside of the rules, will be subject to a tax charge or penalties from HMRC, or both.

In some cases, capital gains tax or value added tax may be payable on the transfer of an asset in specie. Always check with an accountant before an in specie contribution is made. In specie contributions may incur stamp duty.

All transactions must be commercial and at arm's length and in most cases independent valuations will be required.

Loans to the principal or participating employer must be secured with a first charge against assets of equivalent value. It is not possible to make loans to the member trustees or anyone connected to them. This means that a Defined Benefit SSAS established by a self-employed business owner may not lend money back to their business.

Before making a contribution or transferring benefits to a Defined Benefit SSAS always refer to your financial adviser as any protection of existing benefits may be affected.

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

 01722 443742

 [enquiries@rowanmoor.co.uk](mailto:enquiries@rowanmoor.co.uk)

 [rowanmoor.co.uk](http://rowanmoor.co.uk)

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Rowanmoor is a trading name of the following three companies, Rowanmoor Executive Pensions Limited registered number 05792242, Rowanmoor Personal Pensions Limited registered number 02268900 and Rowanmoor Trustees Limited registered number 01846413. The registered office for each of these three companies is Rowanmoor House, 46-50 Castle Street, Salisbury, SP1 3TS. The three companies are also wholly owned subsidiaries of Embark Group Limited. Rowanmoor Personal Pensions Limited is authorised and regulated by the Financial Conduct Authority (FCA) under reference number 458260. The provision and administration of Small Self-Administered Schemes (SSAS) and trustee administration are not regulated by the FCA. Therefore, Rowanmoor Executive Pensions Limited and Rowanmoor Trustees Limited are not regulated by the FCA in relation to these schemes or services.

**If you require this document in audio, large print or Braille format, please telephone 01722 443 742.**