



FAQS

WHY SHOULD I CHOOSE A SSAS AND NOT A SIPP?

A SIPP is a personal pension plan whereas a SSAS is an occupational pension scheme. All SIPPs are regulated by the FCA whereas SSASs are not FCA regulated. FCA regulation introduces safeguards for the consumer but it also means less flexibility. A SSAS is typically the vehicle of choice when investing in a commercial property whereas a SIPP is more suitable to vanilla investments – particularly where the member wishes to decide on the investments without the assistance of a professional advisor.

WHAT ARE THE PERMITTED INVESTMENTS FOR A SSAS?

Strictly speaking there are no restrictions but some investments e.g. residential property and moveable objects attracts a tax charge. The investments a SSAS can make will depend on the rules of the schemes, commercial decisions by the trustees and scheme administrator and HMRC rules. Any unauthorised investment will give rise to a unauthorised payments charge.

IS THERE A LIMIT TO CONTRIBUTIONS TO A SSAS?

HMRC does not impose limits on contributions but there may be a limit on the amount of tax relief that can be obtained. Member contributions may qualify for tax relief and are subject to an annual allowance where contributions above the annual allowance are subject to a tax charge. Any employer of a member of a registered pension scheme may also make contributions to that registered pension scheme and tax relief may be obtained on employer contributions to a registered pension scheme but these are subject to qualifying criteria.

WHY DO I NEED A SCHEME ADMINISTRATOR?

A SSAS is a registered pension scheme and according to HMRC rules it must have at least one scheme administrator. The scheme administrator must be a “fit and proper” person and there are duties imposed on the administrator and sanctions if these duties are not carried out in a proper manner.

WHY SHOULD I APPOINT CONGRUENT AS A PROFESSIONAL TRUSTEE?

The penalties imposed by HMRC on the scheme administrators can be quite severe and to protect the scheme and member benefits, if Congruent is engaged by a client to setup a SSAS it will appoint Congruent Trustees as the professional trustee. This means that decisions on managing the cash, investments and liabilities of the scheme will need to meet the approval of the professional trustee as well as the member trustees.

HOW DO I KNOW IF MY PENSION MONEY IS SAFE?

Pension money will be invested or surplus cash held in a bank account in the name of the pension scheme (with the trustees as co-signatories on the account). The money held in the bank account is subject to FSCS protection (subject to relevant limits) and any standard (liquid) investments e.g. equities will only be conducted through a FCA authorised and regulated investment platform.