Handbook

SSAS

www.ebspensions.co.uk

The EBS SSAS

This document sets out the most important principles about establishing and operating a SSAS within UK legislation and HMRC practice with the assistance of EBS Pensions Limited (EBS). Further details are contained in our fees and services sheet, our services agreement, the rules which govern the SSAS, and any rule amendments.

The Glossary at the end of this document explains some of the words and terms we have used. Guidance on particular topics, e.g. retirement and death benefit options, the annual allowance and the lifetime allowance, loans to a sponsoring employer and commercial property transactions, is available on request.

SSASs are not regulated by the Financial Conduct Authority.

What is a SSAS?

A SSAS is an occupational pension scheme set up by an employer (sponsoring employer) for up to 11 members. At least one of the members must be an employee of that employer. Employee includes a director who has a contract of employment. In addition, all members must be trustees of the SSAS and will be responsible for the investment of SSAS funds.

EBS will only assist with the running of a SSAS provided all members are trustees and all of their decisions are by unanimous agreement.

An employer will be a sponsoring employer provided it participates in the SSAS and at least one of its employees or former employees is a member.

The same individuals will often be directors of a sponsoring employer and also trustees and members of the SSAS. Nonetheless, if they have any doubt as to whether a SSAS is suitable for them, they should seek a recommendation from an appropriately qualified person, such as a financial adviser.

Why set up a SSAS?

To build a pension fund in a tax efficient manner for the benefit of the SSAS members.

- To give the SSAS members (as trustees) the flexibility of making investment decisions, with or without the help of a financial adviser, with a wide range of investment options.
- To give each member flexibility when taking retirement benefits.
- To allow each member to indicate who they would like to receive benefits from their contribution credit in the event of their death.

Principal sponsoring employer's commitment

To establish the scheme, appoint the initial trustees and, where necessary, make a contribution for at least one of its employees.

Sponsoring employer's commitment

To adhere to the SSAS trust deed and rules as a participating employer and, where necessary, to make at least one contribution to the SSAS for at least one member who is or was an employee of that sponsoring employer.

Trustees' commitment

- Each trustee to confirm to EBS that they satisfy HMRC's 'fit and proper person' requirements to be a scheme administrator for tax purposes and be appointed and registered as a scheme administrator. See next section entitled 'fit and proper person test.'
- With EBS's assistance, to operate the SSAS in accordance with the governing SSAS trust deed and rules and all relevant legislation.
- To determine and review regularly, with the assistance of their financial adviser where necessary, and with regard to the SSAS rules, their investment strategy and the levels of retirement benefits.
- To ensure that members do not start taking their benefits before their minimum pension age (normally 55).
- To ensure that, where members are paid a pension from the SSAS, it is paid within any limits that may apply unless in ill-health.
- To pay any fees and charges in relation to the SSAS (where a sponsoring employer is not directly responsible for the fees and charges).

Fit and proper person test

To satisfy the 'fit and proper person' requirements to be a scheme administrator, each trustee will be required to declare in writing to EBS that they:

- are responsible for discharging the functions conferred or imposed on the scheme administrator of a pension scheme by the Finance Act 2004, and intend to discharge those functions at all times, whether resident in the United Kingdom or another EU member state or non-member EEA state;
- will comply with all information notices issued to the scheme administrator under the Finance Act 2004 or the Finance Act 2008 and understand that they will be liable to a penalty where the Scheme is de-registered if they fail to discharge those functions properly;
- understand that as scheme administrator they must make returns of information to HMRC, when they are reasonably required; provide information to members to enable them to meet their own tax obligations and pay any tax charges due to be paid by the scheme administrator under part 4 of the Finance Act 2004;
- either have a working knowledge of pension scheme administrator duties and liabilities or, if not, that they understand that EBS has been appointed to the SSAS to advise them on these duties and liabilities as EBS does have that knowledge;
- have not been involved in tax fraud, abuse of tax repayment systems or other fraudulent behaviour including misrepresentation and/or identity theft;
- have not had a criminal conviction relating to finance, corporate bodies or dishonesty;
- have not been the subject of adverse civil proceedings relating to finance, corporate bodies or dishonesty/misconduct;
- have not participated in or been connected with designing and/or marketing tax avoidance or pensions liberation schemes;
- have not been disqualified from acting as a company director;
- are not bankrupt;
- have not been disqualified from acting as a pension scheme trustee; and
- will advise EBS immediately should they cease to satisfy the 'fit and proper person' requirements.

Member's commitment

- to act as a trustee of the SSAS
- where a member makes personal contributions out of taxed income and the SSAS trustees operate the Relief at Source (RAS) system for reclaiming basic rate tax relief, to notify the trustees if the aggregate of contributions (other than contributions by an employer) made in the same tax year, by or for the member, to the SSAS and any other registered pension schemes of which the SSAS member is also a member, exceeds the value of the member's relevant UK earnings for that tax year.

Factors and risks to consider

Factors which affect the level of members' or beneficiaries' benefits include investment performance, annuity rates, charges and tax. The SSAS rules allow the trustees to invest in a wide range of different investments. Each of these will carry its own investment risks and may incur additional costs and charges. A number of factors could affect the benefits members could take at retirement. For example, members could get a smaller pension or annuity if:

- the investment performance of the underlying assets is worse than expected;
- fees and charges increase;
- there are changes in legislation affecting the taxation and contribution limits for pension schemes;
- there are changes in legislation affecting SSASs;
- contributions into the pension scheme are insufficient to provide the desired level of benefits at retirement;
- pension payments (or a short-term annuity) may erode the value of the remaining contribution credit, especially if the investment returns are poor and a high level of pension is taken in future. High levels of pension may not be sustainable and this may also affect the value of any future annuity;

Further risks include:

- if a member or a beneficiary decides to purchase an annuity after a period of drawdown and annuity rates are then at a lower level than when the pension commenced;
- the value of investments (and income from them) within the SSAS may fall as well as rise and is not guaranteed;
- property investments, if held, may take longer to sell than others and the trustees may not be in a position to realise such investments when they choose or need to;
- if a member transfers funds to the SSAS from other pension arrangements the member may be giving up rights under those other arrangements such as guaranteed benefits or may suffer transfer penalties imposed by the transferring arrangement (e.g. loss of terminal bonuses in relation to with-profit funds);
- by drawing pension directly from the SSAS a member, or beneficiary, does not benefit from 'mortality drag', the cross subsidy from annuitants who die earlier than expected, had the member's contribution credit been used to purchase an annuity;and
- a trustee who is also a member becoming incapable of acting as a trustee and the SSAS ceasing to satisfy the criteria for exemption from various requirements of the Pensions Acts (e.g. producing annual audited accounts and restrictions and/or bans on investments involving a sponsoring employer).

Questions and answers

What are the tax benefits?

- A member's contributions to the SSAS should receive relief from income tax, subject to the annual allowance and the member's relevant UK earnings.
- A sponsoring employer can make gross contributions to the SSAS for its employees/directors who are members.
- Investments within the SSAS are free from additional income and capital gains tax, although it is not possible to reclaim tax paid on UK share dividends. Whether any overseas tax deducted at source in relation to overseas investments can be reclaimed will depend on double taxation treaties.
- A member, who is over the normal minimum pension age (currently 55), can usually take up to 25% of their contribution credit as a tax-free lump sum, when they crystallise part or all of their contribution credit, subject to their remaining lifetime allowance.
- Benefits paid out in the event of a member's death will normally be free from inheritance tax and where death occurs before age 75 they will normally also be free from any other tax charges. The tax treatment of pensions depends on each member's (or upon the member's death, the beneficiary's) individual circumstances and may be subject to change in future.

How is a SSAS set up?

The SSAS will be established by the principal sponsoring employer under trust, in which the trustees are appointed and the governing rules adopted. In addition the trustees will be appointed as the scheme administrator for tax purposes. **EBS will be neither a trustee nor the scheme administrator of the SSAS.**

EBS will provide drafts of all the necessary trust documentation, scheme rules and associated documents to establish the SSAS. The draft trust deed and rules requires all trustee decisions to be by unanimous agreement of all the member trustees.

EBS will assist with the registration of the SSAS with HMRC, on behalf of the scheme administrator, for the purposes of Part 4 of Finance Act 2004, and set up the SSAS's online registered pension scheme records.

The EBS service agreement for a SSAS includes confirmation by the SSAS trustees that they authorise EBS as practitioner to make the necessary declarations to HMRC on behalf of the scheme administrator.
EBS will also arrange, where necessary, for the scheme to be registered with The Pensions Regulator and assist the trustees in registering with the Information Commissioner.

The trustees will need to open one or more bank accounts with any bank they wish.

For anti-money laundering purposes EBS must verify the identities of the principal and any other sponsoring employers, and each trustee before the SSAS can be set up.

Who can pay contributions to the SSAS and how much?

Broadly, subject to the agreement of the SSAS trustees, if a member is resident in the UK and/or has earnings subject to UK income tax, the member, the member's employer or anyone else can pay contributions to the SSAS on the member's behalf.

There is no minimum contribution that must be paid for a member. Contributions may be paid when required or on a regular basis.

Member contributions, and those paid by anyone else (other than by a sponsoring employer), can be paid net of basic rate income tax provided the SSAS trustees have adopted the Relief at Source (RAS) system, which they can do by applying online with HMRC. The SSAS trustees will then be able to reclaim the basic rate tax element from HMRC and pay it into the SSAS bank account. The members must reclaim any additional tax relief they are entitled to via their self assessment tax return.

For example, to pay a gross contribution of £10,000, the member would pay a net contribution of £8,000 (i.e. £10,000 less basic rate income tax, which is currently 20%) and the SSAS trustees would reclaim the basic rate tax of £2,000.

If the SSAS trustees do not adopt the RAS system then member contributions can be paid via the net pay scheme; i.e. the sponsoring employer deducts the member's contributions from the member's gross pay before income tax is calculated on the balance and passes it to the SSAS trustees.

Tax relief on member contributions (whether via the RAS system or the net pay scheme) will only be available where the total gross contribution does not exceed the greater of £3,600 and the amount of the member's relevant UK earnings for the tax year in which the contributions are made.

An alternative to the RAS and net pay scheme is the Relief on Making a Claim system. This operates by members claiming any entitlement to tax relief on their contributions to the SSAS through their self-assessment tax return.

Sponsoring employer contributions are paid gross and there is no specified limit on the amount that a sponsoring employer can pay in for an employee, although they may be limited to the employees available annual allowance. According to guidance on the HMRC website, a contribution by a sponsoring employer to a registered pension scheme in respect of any director or employee will be an allowable expense unless there is a non-trade purpose for the payment.

In cases where the contribution is part of a remuneration package paid wholly and exclusively for the purposes of the trade, the contribution is an allowable expense. General guidance on deductions for remuneration paid to directors and close relatives of directors can be found in the Business Income Manual on the HMRC website.

Annual allowance: if the total pension inputs to all of a member's registered pension schemes in a tax year exceed the annual allowance for that tax year (including any unused allowance carried forward from the previous three tax years) the member will be personally liable to tax on the excess.

Tax Year	Annual Allowance
2019/2020 onward	£40,000

Tapered annual allowance: is the reduced rate of annual allowance that applies for a tax year if the member's adjusted income is over £150,000 and their threshold income is over £110,000. The annual allowance is reduced by £1 for each £2 of adjusted income over £150,000 down to an annual allowance of £10,000 for adjusted incomes of £210,000 or more.

Money purchase annual allowance: pension inputs by or for a member to the SSAS and any other money purchase pension schemes will be subject to a reduced annual allowance, known as the money purchase annual allowance if, for example, the member receives an uncrystallised funds pension lump sum or a flexi-access drawdown pension payment from the SSAS or any other pension scheme.

Unused money purchase annual allowance from previous tax years cannot be carried forward.

What if a member has enhanced protection, fixed protection 2012, 2014 or 2016?

If a member has a valid HMRC certificate for enhanced protection, fixed protection 2012, 2014 or 2016, any pension inputs (e.g. contributions or pension accruals) for the member to a SSAS or any other registered pension scheme will result in the loss of that protection.

Can a member transfer benefits from existing pension arrangements to the SSAS?

Yes, subject to the agreement of the SSAS trustees.

A member can also transfer where they are in receipt of a drawdown pension under the existing arrangement. Where it is a capped drawdown pension, the pension is subject to the same HMRC limits and review dates which applied under the transferring scheme.

The member and (where applicable) their financial adviser and the trustees will be responsible for arranging any transfers to or from the SSAS. Transfers can be in the form of cash and/or acceptable assets (e.g. assets that will not constitute taxable property) such as land, commercial buildings, quoted stocks and shares, unit trusts, managed funds.

Care will need to be taken when considering transferring assets because an asset that would normally constitute taxable property but was legitimately acquired by a transferring scheme at an appropriate date before 6 April 2006, will lose its exemption from the taxable property rules if it is transferred to a SSAS and gives rise to tax charges.

Special rules apply in relation to transfers from overseas pension schemes and each should be dealt with on an individual basis.

Can a member transfer benefits from the SSAS to another pension scheme?

A member can normally transfer part or all of their contribution credit under the SSAS in the form of cash and assets at any time to another registered pension scheme or a recognised overseas pension scheme (ROPS) of which they are a member, subject to the receiving scheme rules and HMRC requirements. Transfers out of the SSAS will be subject to the agreement of the SSAS trustees and the receiving scheme accepting the assets to be transferred.

Where the transferring member is receiving drawdown pension from the SSAS, the entire part of the member's contribution credit which relates to that pension must be transferred.

Transfers must be made directly to the trustees or scheme administrator of the receiving scheme.

Before a SSAS member decides whether transferring to or from a SSAS is suitable, we recommend that they take independent financial advice to ensure that they are aware of any potential disadvantages or loss of benefits.

The SSAS trustees should reserve the right to decline a transfer out until they have received confirmation from the receiving scheme that it is a registered pension scheme or a ROPS and is willing to receive the transfer payment, whether in the form of cash, assets or both, or if they suspect the transfer may involve pension liberation fraud. In the case of a ROPS, they should also require written confirmation from HMRC of its ROPS status and reference.

What can the SSAS trustees invest in?

Trust law requires the trustees to act prudently, conscientiously and honestly when making decisions in respect of a SSAS. Trustees should at all times act in the best interests of scheme members and not as employers, employees or shareholders. For further information and guidance trustees should seek appropriate professional advice.

As there are no specific investment restrictions in the current tax legislation for registered pension schemes, the rules governing the SSAS give the trustees absolute freedom in choosing the investments for the SSAS. However, certain investment transactions may constitute unauthorised payments and give rise to severe tax penalties and therefore the trustees should exercise great care.

The following categories of investment should not normally constitute unauthorised payments provided they are acquired at market value:

- Stocks and shares listed on any stock exchange recognised by HMRC
- Shares quoted on the Alternative Investment Market (AIM)
- Futures and options relating to shares listed on a recognised stock exchange
- Hedge funds
- Unit trusts and investment trusts
- Open ended investment companies (OEICS)
- Insurance company funds (managed funds)
- Traded endowment policies
- Bank and building society accounts in any currency
- Investment grade gold
- Commercial property (land and buildings)

Detailed guidance on investment in property by SSAS trustees is contained in EBS's booklets – 'Commercial Property Transactions' and 'Information for Solicitors' – copies of which are available from EBS on request.

Authorised borrowing

The SSAS trustees can borrow for any purpose of the SSAS, from any individual, company or financial institution, even if connected with a SSAS member. Borrowing must be on commercial terms, and not exceed 50% of the net market value of the SSAS assets less any outstanding borrowing.

For example, a SSAS consists of cash deposits valued at £200,000. The trustees want to purchase a commercial property for £300,000 (including costs). This will be possible as the trustees may borrow £100,000 (50% of £200,000), which together with the cash deposits provides the purchase price of £300,000.

However, if the SSAS trustees have assets worth £250,000 and existing borrowing of £50,000, then although the net asset value of the SSAS will be £200,000, the maximum level of new authorised borrowing will be 50% of £200,000 = £100,000 **less** the existing borrowing of £50,000 = **£50,000**.

Any borrowing above the 50% limit will give rise to a tax penalty on the Scheme Administrator.

Authorised employer loans

A loan by the SSAS trustees will be an authorised employer loan provided it satisfies the following criteria:

- The loan is to a sponsoring employer
- The loan, when aggregated with the capital value of any outstanding loans to sponsoring employers, does not exceed 50% of the net market value of the SSAS assets immediately before the loan is made
- The loan is secured throughout the full term as a first charge on any asset(s) either owned by the sponsoring employer or some other person which have a market value at least equal to the amount of the loan and interest due to the end of the term
- The loan is for a term of no more than 5 years
- The loan must be repaid in equal instalments of capital and interest for each complete year of the loan. For example if the loan is for £100,000 for a term of 4 years and total interest due over the term is £20,000, annual repayments will be £120,000 ÷ 4 = £30,000
- The rate of interest must be commercial and must be no less than 1% above average base lending rate.

Further details on authorised employer loans are contained in EBS's booklet – 'SSAS: Authorised Loan to a Sponsoring Employer' – a copy of which is available on request.

Shares in a sponsoring employer

Buying shares in a sponsoring employer by the SSAS trustees will only constitute an authorised payment if the market value of the shares, together with the market value of any shares already held in that sponsoring employer, represents less than 5% of the total net market value of the SSAS assets at the time of acquisition.

Where investment is to be made in a number of sponsoring employers, the total market value of those shares (at the time of each acquisition) must be less than 20% of the total net market value of the SSAS assets at that time.

Further details on investment in shares in sponsoring employers are contained in an EBS technical note entitled 'Investment by way of shares in and/or loans to trading companies/vehicles and/or non-trading companies/vehicles' a copy of which is available on request.

Transactions with connected persons

The purchase, sale or lease of an asset between the SSAS and a member, a person connected with a member (including a company) or a sponsoring employer that is not at arm's length and on commercial terms will constitute an unauthorised payment and give rise to tax penalties. The SSAS trustees should obtain written confirmation of the market value of the asset by a suitably qualified independent professional to demonstrate that market value has been paid.

Which investments can give rise to tax penalties?

The current HMRC pension tax legislation does not specifically prohibit any particular types of investment. However, certain investments will constitute unauthorised payments and can give rise to tax charges on the members or the sponsoring employer and the Scheme Administrator such as:

- taxable property as defined in schedule 29A to Finance Act 2004 (i.e. residential property and tangible moveable property). In particular indirect investment via ownership of shares in sponsoring employers and/or unquoted companies connected with a SSAS member; and
- loans to a SSAS member or anyone connected with a SSAS member including a company controlled directly or indirectly by a SSAS member or anyone connected with a SSAS member, which is not a sponsoring employer.

Unauthorised payments can lead to tax penalties of up to 70% of the amount of the unauthorised payment and also, in certain circumstances, the loss of the SSAS's registered pension scheme status with HMRC, resulting in a further tax penalty of 40% of the remaining net market value of the SSAS assets.

Further details of the rules relating to taxable property are contained in an EBS technical note entitled 'Investment by way of shares in and/or loans to trading companies/vehicles and/or non-trading companies/vehicles' a copy of which is available on request.

Is there a limit on the funds a member can build up in a SSAS?

No. However, there is a limit on the tax favoured pension savings a member can build up in their contribution credit added to the value of any other registered pension schemes of which they are a member. This limit is known as the lifetime allowance and each crystallisation of benefits will use up part of a member's lifetime allowance. The standard lifetime allowance has been set by the Government as follows:

Tax Year	Lifetime Allowance
2015/16	£1,250,000
2016/17	£1,000,000
2017/18	£1,000,000
2018/19	£1,030,000
2019/20	£1,030,000

This limit is due to be indexed each year in line with inflation.

If a member has no remaining lifetime allowance and no valid HMRC certificate of protection when crystallising part or the whole of their contribution credit, the excess over the lifetime allowance will be subject to a tax charge of 55% if taken as a lump sum and 25% if retained by the trustees to pay a pension. Any pension would also be subject to income tax.

The option of taking the excess as a lump sum is only available before the member's 75th birthday.

A member's contribution credit will also be tested against any remaining lifetime allowance they may have when attaining age 75 (subject to any HMRC certificate of protection they may have).

The main forms of protection from the lifetime allowance tax charge are enhanced protection, primary protection, fixed protection 2012, 2014 and 2016 and individual protection 2014 and 2016.

What happens if a member dies?

Before age 75

If a member dies before they are 75, the SSAS trustees, operating under their discretionary powers, have the following options in respect of any part of the member's contribution credit (subject to the Lifetime Allowance):

- to pay the value of the contribution credit as one or more lump sums to the member's beneficiaries;
- to purchase annuities for the member's dependants, nominees or both;
- to provide the member's dependants, nominees or both with drawdown pensions; or
- to provide combinations of these benefits.

Each of these options are normally free from any tax provided they take place within two years of notification of the member's death and, where relevant, the member had sufficient remaining lifetime allowance.

Annuity and drawdown pension payments can only be made to individuals and must be made through the HMRC Pay As You Earn (PAYE) system.

At or after age 75

If a member dies at or after age 75 the options are the same as those above except that lump sum, annuity and drawdown pension payments to individuals are subject to income tax and lump sum payments to entities (such as trusts and companies) are subject to a tax charge of 45%.

Annuity and drawdown pension payments can only be made to individuals.

Lump sum and drawdown pension payments to individuals must be made through the HMRC Pay As You Earn (PAYE) system.

In certain circumstances lump sums to charities are free from tax.

Dependants' and nominees' drawdown pensions

Drawdown pensions to dependants which started to be paid before 6 April 2015 are subject to income tax whatever the member's age when they died.

A dependant or a nominee with a drawdown pension can nominate one or more successors to receive benefits from any remaining drawdown pension funds in the event of the dependant's or nominee's death. The tax treatment of the benefits will depend on the dependant's age on death – i.e. if they die before age 75 the benefits are paid free from any tax and if they die on or after age 75 the tax charges are as mentioned above.

When can a member take benefits?

Subject to the agreement of the SSAS trustees, a member can crystallise their benefits at any time from the normal minimum pension age (currently 55) or earlier if they are in ill health or have a protected pension age.

Can a member have a lump sum?

Uncrystallised funds pension lump sum

A member can take some or all of the uncrystallised funds in their contribution credit as an uncrystallised funds pension lump sum provided they have sufficient remaining lifetime allowance.

25% of the lump sum will be tax-free and the other 75% will be subject to income tax and must be paid through the HMRC PAYE system.

Pension commencement lump sum

A member can normally take a pension commencement lump sum as part of the process of taking a drawdown pension.

This can be up to 25% of the amount of their contribution credit that they wish to crystallise to provide benefits, subject to the member having sufficient remaining lifetime allowance or an appropriate valid HMRC certificate of protection.

The member has 12 months from the crystallisation date in which to draw the lump sum.
The remaining part of the member's contribution credit, which has been crystallised, can then be used to purchase a lifetime annuity for the member or designated as drawdown funds to provide the member with a drawdown pension.

For example, if the value of a member's contribution credit was £400,000 and they crystallised £200,000 of it, they will normally be able to have a pension commencement lump sum of £50,000 and a drawdown pension from the balance of £150,000.

Both the crystallised (£150,000) and the uncrystallised (£200,000) parts of the member's contribution credit would continue to be invested as the trustees decide. Each time a member crystallises part of their contribution credit to provide benefits, they use up part of their remaining lifetime allowance.

Can a member use their pension commencement lump sum to pay a new contribution to the SSAS?

There are rules to discourage individuals from intentionally pre-planning to;

- re-contribute their pension commencement lump sum
- adjust their finances to make contributions and receive a greater pension commencement lump sum These activities are known as 'recycling' and the lump sum will be treated as an unauthorised payment, giving rise to tax charges on the individual of up to 55%. There may also be a further tax charge on the SSAS of between 15% and 40%.

Detailed guidance on 'recycling' is something individual members should discuss with their financial advisers prior to taking benefits. Further details are available on the HMRC website.

What is drawdown pension?

Drawdown pension is an alternative to an uncrystallised pension funds lump sum or buying a lifetime annuity. It allows a member to draw an income from their contribution credit whilst leaving it invested by the trustees. Drawdown pension can be in the form of flexi-access drawdown, capped drawdown or short-term annuities.

A member can also use drawdown pension funds in their contribution credit to buy a 'short term annuity' contract from an insurer, to pay an income each year for a period of up to 5 years.

What is flexi-access drawdown?

Flexi-access drawdown enables a member to take income from their flexi-access drawdown funds of any amount subject to income tax.

What is capped drawdown?

Capped drawdown enables a member to take income from their capped drawdown funds subject to an annual limit and income tax. It is only available where the crystallisation of benefits took place before 6 April 2015.

The limit is 150% of the relevant single-life annuity rate from tables published by the Government Actuary's Department, known as the 'basis amount'. This limit must be reviewed every three years up to age 75 and every year thereafter.

If the annual limit is exceeded capped drawdown will automatically become flexi-access drawdown.

Does a member have to buy a lifetime annuity?

No. It is not compulsory to purchase a lifetime annuity. However, subject to the agreement of the SSAS trustees, a member can do so at any time, from the normal minimum pension age (currently 55).

Buying a lifetime annuity means the member exchanges their contribution credit for a regular taxable pension income from an insurance company for the rest of the member's life.

When should the SSAS trustees consider changing their investment strategy?

It is the trustees' decision whether or not to change their investment strategy, but they must consider the cash flow needs of the SSAS. For instance, if a member decides to take a pension commencement lump sum and a drawdown pension from the SSAS and the investments are in an illiquid form, e.g. commercial property with no rental income, there will be no investment income from which the trustees could pay the member's benefits.

In such circumstances the trustees would have to consider selling the property or borrowing in order to pay the member's benefits.

How is a drawdown pension paid and taxed?

A member's drawdown pension will be treated as earned income and taxed accordingly, although there is no liability for national insurance contributions. This also applies to a dependant's or nominee's drawdown pension where the member died on or after their 75th birthday and to any drawdown pension to a successor of a dependant or nominee who dies on or after their 75th birthday.

The SSAS trustees will be responsible for deducting tax at source before paying the net pension, which must be done via the PAYE system. Please note that EBS does not offer a payroll service.

The tax treatment of pensions depends on each member's or beneficiary's individual circumstances and may be subject to change in the future. Individuals should ask an appropriately qualified person such as a regulated financial adviser for further information.

Trustees are required to make members who are considering taking flexible benefits aware that they can consult the Government's Pension Wise service. Guidance notes for Trustees entitled 'Communicating with members about pensions flexibilities' are available from The Pensions Regulator website: http://www.thepensionsregulator.gov.uk/docs/essential-guide-pension-flexibilities-april-2015.pdf

What are the SSAS trustees' reporting responsibilities?

In their capacity as scheme administrator for tax purposes, the SSAS trustees are responsible for submitting the following:

To HMRC

- Where HMRC has given notice to file, an online Registered Pension Scheme Return for each tax year in relation to payments in and out of the SSAS, investments held and investment transactions made during the tax year.
- An online Event Report for each tax year where reportable events have taken place during the tax year such as certain benefit payments; any unauthorised payments; and where the SSAS has been wound up.
- An online "Accounting for Tax Return" for any quarter in which a tax liability has been incurred; e.g. where the value of a member's benefits exceed the lifetime allowance; the payment of a lump sum benefit following the death of a member on or after their 75th birthday; and where the SSAS loses its registered status.
- Online confirmation when someone ceases to be a Scheme Administrator.
- Self Assessment Tax Return for Trustees of Registered Pension Schemes (SA970), where notice has been given or the Scheme Administrator has a tax liability or tax to reclaim (e.g. on certain investments where tax has been deducted at source).
- Confirmation of the transfer of part or the entire amount of a member's contribution credit to a ROPS.
- Confirmation of any changes to details of the SSAS or the scheme administrator.

Guidance on these reports can be found on the Government website and from EBS.

To SSAS members

- Confirmation of the percentage of the lifetime allowance used up when a member crystallises benefits and annually on the anniversary of the crystallisation.
- Details of the tax charge that arises where a member crystallises benefits which exceed their remaining lifetime allowance.
- A flexible access statement when a member first receives an uncrystallised funds pension lump sum or a payment of flexi-access drawdown pension.
- A pensions savings statement where the total amount of contributions paid to the SSAS in a pension input period for a member exceeds the annual allowance or the money purchase annual allowance, whichever is relevant.
- Where a member, or a member of their family, has use of a scheme asset and it is treated as an unauthorised payment.

To a deceased member's personal representatives

Following the death of a member before age 75, details of any lump sum payments made to beneficiaries or designation of funds for a dependant's or nominee's flexi-access drawdown pension that use up the member's remaining lifetime allowance, including the date of each payment and confirmation of the percentage of the lifetime allowance used up by these payments or designations.

To scheme administrators or insurers of other pension schemes

- Where a member transfers drawdown funds to another pension scheme, details of the amount of lifetime allowance used up when those funds were first crystallised.
- Where the transferring member had flexibly accessed pension funds before the transfer of drawdown funds, by receiving an uncrystallised funds pension lump sum or a payment of flexi-access drawdown pension, the date on which that happened.
- Where an annuity has been purchased from an insurance company using part or the entire amount of a member's contribution credit, details of the amount of lifetime allowance used up at the relevant crystallisation date(s) must be given to the insurance company.

The SSAS trustees are also responsible for making the following online submissions:

To The Pensions Regulator
Where there are two or more members, an annual scheme return confirming any changes to the number of members and details of the sponsoring employers and trustees and their contact details.

Guidance on registering a SSAS with The Pensions Regulator can be found on The Pensions Regulator's website.

To the Information Commissioner
Notification of the SSAS trustees as a controller of data under the Data Protection Act 1998.

Guidance on giving notification to the Information Commission can be found on the Information Commissioner's Office's website.

Record keeping
The SSAS trustees must keep documents for six years that relate to the following:

- Money received into the SSAS
- Money owed to the SSAS
- Investments or assets held by the SSAS
- Payments made by the SSAS
- Contracts to purchase an annuity for a member of the SSAS
- The management of the SSAS (e.g. trustees' decisions, resolutions and instructions)

What are EBS's charges?

EBS's charges and fees in relation to a SSAS (including the calculation of benefits) are detailed in the Fee Schedule, and the services agreement, which should be read in conjunction with this document prior to completing an application form.

All EBS's fees are subject to VAT and can be amended subject to three months' notice. For complex cases a higher time cost fee may be charged, but will be agreed in advance.

The exact fees and charges incurred will depend on the types of investments and services required.

Can EBS provide the SSAS trustees or the members with financial advice?

No. If the trustees or members need such advice they must consult a suitably qualified financial adviser. If there are any doubts as to whether a SSAS is suitable, before establishing a SSAS the sponsoring employer (and potential member trustees) should seek a recommendation from a suitably qualified financial adviser.

Further information:

The Money Advice Service, an organisation set up by the Government, provides free and unbiased financial information including on pensions and retirement. This information can be accessed from their website.

Complaints
If the SSAS trustees cannot resolve a member's complaint in the first instance SSAS members may refer complaints to the Pensions Advisory Service (TPAS) (Tel: 0300 123 1047), which can provide free help and advice in relation to a complaint.

If it has not been resolved by the SSAS trustees, a member's complaint about the administration of a SSAS may be referred to the Pensions Ombudsman (Tel: 020 7630 2200). The address of both organisations is: 11 Belgrave Road, London SW1V 1RB.

Further Information: (continued)

If you wish to complain about the service you have received from EBS Pensions Limited as the practitioner to the SSAS,
please contact us at the following address;
EBS SSAS Administration Department
c/o Rowanmoor Executive Pensions Limited
Rowanmoor House
46-50 Castle Street
Salisbury
SP1 3TS

Financial Services Compensation Scheme
For the assets within a SSAS, if an investment firm, insurance company or bank is unable, or unlikely to be able, to pay claims made against it, the trustees may qualify as an eligible claimant under the Financial Services Compensation Scheme (FSCS). In such instances, the FSCS may pay compensation to the trustees, the amount of which depends on the type of claim.

Further details about whether the trustees may qualify as an eligible complainant and the compensation available under the FSCS is available from its website www.fscs.org.uk or by telephone 020 7741 4100.

Law
All correspondence has been and will be made in English. In legal disputes the law of England and Wales will apply.

About EBS Pensions Limited (EBS)
EBS has been involved in the establishment and operation of SSASs since our very early days in the mid 1970s. We have a very experienced and long-serving team of technical consultants and administrators. We also act for over 15,000 members of Self-Invested Personal Pensions (SIPPs).

EBS does not act as either a trustee or scheme administrator of a SSAS but provides technical and support services, which include the following:

- General guidance on the operation of the SSAS.
- Technical assistance regarding pension tax legislation and the requirements relating to investments.
- Assistance and support in relation to satisfying the reporting requirements of HMRC. The Pensions Regulator and the Information Commissioner.
- Updates on changes in legislation affecting SSASs.
- Calculation of each member’s contribution credit and retirement benefits when required.
- Attendance at one trustee meeting per year at EBS’s offices.
- Draft documentation needed for changes to SSAS membership, trusteeship and structure etc.
- EBS is a wholly owned subsidiary of Embark Group Limited.

Important
The information in this document is based on our understanding of English law and HMRC practice at the date of publication. The tax treatment of pensions depends on individual circumstances and is subject to change in future.

Glossary

'Adjusted income' broadly means the total income for the tax year on which the individual is subject to income tax plus the value of any employee pension contributions. This will include salary, bonus, profits from self-employment, benefits in kind, pension income (including Uncrystallised Funds Pension Lump Sums (UFPLS)), income from property, savings and dividends; plus

- any excess pension scheme tax relief;
- any employee pension contributions deducted from gross salary (net pay arrangements) in the tax year the payment is made;
- the value of any employer pension contributions (which includes any employer contributions as a result of a salary sacrifice arrangement) for the tax year; less
- some allowances and reliefs, e.g. excess tax relief under net pay pension schemes (where full tax relief is not available through payroll), pension scheme tax relief upon making a claim, gifts to charities and trade losses;
- any lump sum death benefits received in the tax year which were taxable at their income tax rate.

'Annual allowance' is the upper limit, for a tax year, on the total value of pension inputs that can be made to:

- a member's contribution credit, and
- any other registered pension schemes of which they are a member, and
- any relieved non-UK pension scheme of which they are a relieved member,

in that tax year, without incurring an Annual Allowance Tax charge.

'Annual allowance tax charge' is the tax charged on the amount by which a member's total pension inputs in a tax year exceed their available annual allowance (including any unused annual allowance that they are able to carry forward from the three immediately preceding tax years).

'Arrangements' are separate component parts making up a member's contribution credit. A member will normally have only one arrangement unless they have transferred previously crystallised funds to their contribution credit or they have funds that relate to a pension that came into payment before 6 April 2006.

'Associated employer' is a company which is associated with a sponsoring employer (e.g. it is controlled either by a sponsoring employer or by the same person or persons who control the sponsoring employer) but is not itself a sponsoring employer.

'Authorised payment' is a payment specifically authorised under the pension tax legislation (e.g. a pension commencement lump sum, drawdown pension and an authorised employer loan).

'Beneficiary' means a person eligible under the Scheme's rules to death benefits. This includes any person nominated by you in this form plus relatives, dependants, nominee or successor.

'Benefit crystallisation event' is an event which requires a member's benefits to be measured against their lifetime allowance, for example, when a member crystallises part or all of their contribution credit in order to take retirement benefits.

'Capped drawdown pension' is pension income that may be taken from a member's contribution credit subject to limits as set out by HMRC. This only applies if the member or a dependant had designated funds for capped drawdown pension prior to 6 April 2015.

'Cash balance benefits' are benefits where the amount available to provide the benefits is not calculated purely by reference to pension inputs (contributions) made by a member or on their behalf.

'Charity' means a body of persons or trust established for charitable purposes only and has been recognised by HMRC as a charity for tax purposes.

'Close company' broadly means a company that is privately owned and controlled by five or fewer individuals.

'Commercial property' means land and commercial buildings.

'Connected person' includes:
- A member, a member's spouse or civil partner, a direct relative (parents, brothers, sisters, or children) of a member or of a member's spouse or civil partner and the spouse or civil partner of a direct relative of a member or a member's spouse or civil partner
- A trustee of a settlement where the settlor of the settlement is a member or someone connected with a member
- A person (or that person's spouse or civil partner) who is in partnership with a member or with a member's spouse or civil partner
- A company, which is controlled by a member and/or persons connected with a member

For HMRC reporting purposes connected person also includes close companies of which a member or person connected with a member is a director. A full definition is in section 1122 of the Corporation Taxes Act 2010.

'Contribution credit' is that part of the SSAS fund attributable to a member or a beneficiary and is calculated in accordance with a set formula contained in the SSAS rules.

'Control' (sections 450 and 451 of the Corporation Taxes Act 2010) – a person has control of a company if that person exercises, is able to exercise, or is entitled to acquire, direct or indirect control over the company's affairs.

'Controlling director' broadly means a director who owns 20% or more of the shares in a company. Controlling director includes any person who is;
- occupying the position of director by whatever name called and any person in accordance with those directions or instructions the directors are accustomed to act, or is a manger of the company or otherwise concerned in the management of the company's trade or business, and
- is either on his/her own or with one or more associates the beneficial owner of, or able, directly or through the medium of other companies, or by any other indirect means, to control not less than 20% of the ordinary share capital of the company.

The expression 'with one or more of his or her associates' means that a person treated as owning, or as the case may be, controlling, what any associate owns or controls, even if he or she does not own or control share capital of his or her own.

'Crystallise' means to designate all or part of the uncrystallised funds in a member's contribution credit or another registered pension scheme. A crystallisation event, for example to provide benefits.

'Defined benefits' (or final salary benefits) are typically pension schemes where the level of the member's benefits is calculated by reference to the member's earnings and service with their employer.

'Dependant' means:
(a) a person who was married to, or was the civil partner of, the member at the date of the member's death;
(b) a person who was married to, or was the civil partner, of the member when the member first became entitled to a pension from their contribution credit;
(c) a child of the member who has not attained age 23 or, in the opinion of the scheme administrator, was dependent on the member because of physical or mental impairment whatever the child's age; and
(d) any other person (who was not married to, or the civil partner of, the member at the date of the member's death,
(e) nor the member's child) if, in the opinion of the scheme administrator, at the time of the member's death, the person was financially dependent on the member, or the person and the member were financially dependent on each other, or the person was dependent on the member because of mental or physical impairment.

'Disqualifying pension credit' in connection with a divorce, means a pension credit under a pension sharing order that came from pension benefits that were already crystallised.

'Drawdown pension' means the payment to a member or a beneficiary of a pension directly from the member's contribution credit, or from a short-term annuity purchased from crystallised funds.

'Employer' includes any company of which a member is or has been an employee or a director and any other person in relation to whom the member is or has been an employee.

'Enhanced Protection' means that (where a member has a valid Certificate of Enhanced Protection from HMRC) whatever the value of their benefits at the time they are crystallised, they are not subject to the lifetime allowance tax charge, provided that since 5 April 2006, no pension inputs have been made for them to their contribution credit in the SSAS, or to any other registered pension scheme of which they are or have been a member.

'Fixed Protection 2012' means that (where a member has a valid Certificate from HMRC) the value of their benefits at the time they are crystallised, will be measured against a lifetime allowance of at least £1,800,000, provided that after 5 April 2012, no pension inputs have been made for them to their contribution credit in the SSAS, or to any other registered pension scheme of which they are or have been a member.

'Fixed Protection 2014' means that (where a member has a valid Certificate from HMRC) the value of their benefits at the time they are crystallised, will be measured against a lifetime allowance of at least £1,500,000, provided that after 5 April 2014, no pension inputs have been made for them to their contribution credit in the SSAS, or to any other registered pension scheme of which they are or have been a member.

'Fixed Protection 2016' means that (where a member has a valid Reference from HMRC) the value of their benefits at the time they are crystallised, will be measured against a lifetime allowance of at least £1,250,000, provided that after 5 April 2016, no pension inputs have been made to their contribution credit in the SSAS, or to any other registered pension scheme of which they are or have been a member.

'Flexi-access drawdown pension' is pension income that may be taken from a member's contribution credit, having no upper limit.

'Flexible annuity' is an annuity from an insurance company that can decrease and may not be payable for life.

'Individual Protection 2014' means that (where a member has a valid Certificate from HMRC) the value of the member's benefits at the time they are crystallised, will be measured against a lifetime allowance at least equal to the total value of their benefits (between £1,250,001 and £1,500,000) in all registered pension schemes on 5 April 2014 and any relieved non UK pension rights they have on 5 April 2014.

'Individual Protection 2016' means that (where a member has a valid Reference from HMRC) the value of their benefits at the time they are crystallised, will be measured against a lifetime allowance at least equal to the total value of their benefits (between £1,000,001 and £1,250,000) in all registered pension schemes, and any relieved non-UK pension rights they have, on 5 April 2016.

'In specie' means re-registering or transferring the ownership of an asset instead of selling it.

'Investment grade gold' is defined by HMRC as gold of a purity not less than 995 thousandths that is in the form of a bar or a wafer, of a weight accepted by the bullion markets.

'Lifetime allowance' is the upper limit on the benefits a member can crystallise in aggregate in all their registered pension schemes and any relieved non-UK pension scheme of which they are a relieved member, without incurring a lifetime allowance tax charge.

'Lifetime allowance enhancement factor' (where a member has a valid Certificate from HMRC) is the amount by which their lifetime allowance is increased because they:

- acquired a pension credit under a pension sharing order on divorce before 6 April 2006
- acquired a disqualifying pension credit under a pension sharing order on divorce after 5 April 2006;
- accrued certain benefits in a registered pension scheme during a period when they were abroad and they were not a relevant UK individual (or, if they were, it was only because they were resident in the UK at some time during the five tax years immediately before the tax year in question and they were also resident in the UK when they joined the pension scheme and they were not employed by a UK resident employer); or
- transferred benefits accrued in a qualifying recognised overseas pension scheme which have not received UK tax relief to a registered pension scheme'

'Lifetime allowance excess' is the amount by which part or all of a member's contribution credit exceeds their remaining lifetime allowance at any benefit crystallisation event.

'Lifetime allowance tax charge' means the amount of tax that would be paid on any lifetime allowance excess.

'Lifetime annuity' means an annuity contract purchased under a money purchase arrangement from an insurance company of the member's choosing that provides the member with an income for life, and which meets the conditions imposed through paragraph 3, Schedule 28 to the Finance Act 2004.

'Market value' is the price which an asset would reasonably be expected to fetch on a sale in the open market. However, for shares, securities and strips (zero-coupon securities) that are included on the London Stock Exchange Daily Official List (SEDOL) it is the mid-value between the two values given as the closing price, or, if the exchange is closed, that value on the previous trading day. For securities and strips listed on an HMRC recognised stock exchange outside the United Kingdom, it is the same except where only a single value is shown and it is then that value.

'Member' means an individual who has been admitted to membership of the SSAS by the SSAS trustees and who has a contribution credit.

'Money purchase scheme' broadly means a pension fund built up from payments such as contributions and transfers from other pension schemes, and any associated investment growth. The amount of the benefits a member or a beneficiary will receive will depend on the value of the fund.

'Money purchase annual allowance' is the maximum amount that can be paid by a member or on their behalf to money purchase pension arrangements once they have "flexibly accessed" benefits in one or more of those pension arrangements. This is generally (but not limited to) at the point pension is drawn from a flexi-access drawdown fund or once an uncrystallised funds pension lump sum is taken.

'Nominee' means an individual who is not a member's dependant and who the member has nominated so that, in the event of the member's death, they can receive a drawdown pension and/or annuity payments. The scheme administrator may also nominate a nominee but only where the member had no surviving dependant or nominee and they did not nominate a charity.

'Pension commencement lump sum' means a tax-free lump sum benefit paid to a member in connection with an arising entitlement to a pension benefit from uncrystallised funds in their contribution credit.

'Pension inputs' include gross contributions paid to a member's contribution credit in the SSAS, any other registered pension schemes of which they are a member and any relieved non-UK pension scheme of which they are a relieved member, by the member, their employer and anyone else, and benefit increases in defined benefit and cash balance registered pension schemes.

'Pension input period' means the period ending in a tax year, for which the total pension inputs made by or for a member to all registered pension schemes and any relieved non-UK pension scheme of which they are a relieved member, are tested against the annual allowance for that tax year. From 6 April 2016 all pension input periods are aligned with the tax year and cannot be changed.

'Practitioner' means someone whom a scheme administrator has authorised to deal with HMRC on their behalf. EBS is the practitioner for most of its clients' SSASs.

'Primary Protection' means that (where the member has a valid Certificate from HMRC) the value of their contribution credit, at the time they are crystallised, will be measured against a personal lifetime allowance which exceeds the standard lifetime allowance for the tax year 2011/12 (£1.8 million) by a certified factor. This form of protection was only available if the value of your pension benefits on 5 April 2006 exceeded £1.5 million.

'Principal sponsoring employer' means the sponsoring employer which established the SSAS or at any time replaces the original principal sponsoring employer as the principal sponsoring employer.

'Qualifying Recognised Overseas Pension Scheme (QROPS)' means an overseas pension scheme for which the scheme manager has signed an undertaking to inform HMRC if the scheme ceases to be a recognised overseas pension scheme and comply with any prescribed information requirements imposed on the scheme manager by HMRC.

'Registered pension scheme' means a pension scheme that is registered by HMRC under Chapter 2 of Part 4 of the Finance Act 2004.

A relieved non-UK pension scheme can be treated as a registered pension scheme for the purposes of the annual allowance and the lifetime allowance, in relation to a member who is a relieved member and has non-UK pension rights.

'Relevant UK earnings' means:
- employment income;
- income which is chargeable under Part 2 of Income Tax (Trading and Other Income) Act 2005 and is immediately derived from the carrying on or exercise of a trade, profession or vocation (whether individually or as a partner acting personally in a partnership);
- income which is chargeable under Part 3 of Income Tax (Trading and Other Income) Act 2005 and is immediately derived from the carrying on of a UK furnished holiday lettings business (whether individually or as a partner acting personally in a partnership); and
- patent income where the individual, alone or jointly, devised the invention from which the patent in question was granted.

Relevant UK earnings are to be treated as not being chargeable to income tax if, in accordance with arrangements having effect under section 2(1) of the Taxation (International and Other Provisions) Act 2010 (double taxation agreements), they are not taxable in the United Kingdom.

'Relevant UK individual' means an individual who, for a tax year:
- has relevant UK earnings chargeable to income tax for that year;
- is resident in the UK at some time during that year;
- was resident in the UK both at some time during the five tax years immediately before that year and when the individual became a member of the pension scheme; or
- has, or whose spouse or civil partner has, for the tax year general earnings from overseas Crown employment subject to UK tax (section 28 Income Tax (Earnings and Pensions) Act 2003).

'Relieved member' is a member of a non-UK pension if at any time after 5 April 2006: (i) contributions paid by or in respect of the member to the scheme have received migrant member relief, transitional corresponding relief, or relief under a double taxation arrangement, or (ii) they have been exempt from liability to tax by virtue of section 307 Income Tax (Earnings and Pensions) Act 2003.

'Relieved non-UK pension scheme' is a pension scheme which is not a UK registered pension scheme and one or more of the following conditions have been met: migrant member relief or transitional corresponding relief has been given in respect of contributions; contributions made to the scheme after 5 April 2006 have received tax relief under a double taxation arrangement; a member of the scheme has been exempt from liability to tax by virtue of section 307 Income Tax (Earnings and Pensions) Act 2003.

'Residential property' is:
- a building or structure that is used or suitable for use as a dwelling;
- any related land that is wholly or partly the garden for the building or structure;
- any related land that is wholly or partly grounds for the residential property and which is used or intended for use for a purpose connected with the enjoyment of the building;
- any building or structure on any such related land;
- a beach hut; and
- any building specified in regulations as residential property.

'Safeguarded benefits' are benefits other than money purchase benefits and cash balance benefits. This definition includes not only benefits in defined benefit (final salary) arrangements but any arrangement that has some form of benefit guarantee or promise such as a guaranteed minimum pension (GMP) and a guaranteed annuity rate.

'Scheme administrator' means the person(s) appointed to be responsible for the discharge of the functions conferred or imposed on the scheme administrator of the pension scheme by HMRC. In the case of a SSAS with EBS, the Trustees collectively are the scheme administrator.

'Short-term annuity' means an annuity contract purchased from an insurance company with funds relevant to a member's drawdown pension that provides the member with a drawdown pension for a term of no more than five years.

'Small Self-Administered Scheme (SSAS)' is an employer established trust based occupational registered pension scheme for up to 11 members, who may often be the trustees. In the case of a SSAS with EBS, all members must be trustees and all trustee decisions must be by unanimous agreement so that the widest powers of investment of the scheme funds are available to them.

'Sponsoring employer' includes an employer which adheres to the SSAS trust deed and rules as a participating employer (whether or not it pays contributions to the SSAS for members who are its employees).

'Standard lifetime allowance' is the statutory lifetime allowance that applies to a benefit crystallisation event in a particular tax year unless the member has a valid Certificate from HMRC for a higher lifetime allowance.

'Successor' means an individual nominated by a beneficiary. The scheme administrator may also nominate a successor but only where the beneficiary had not nominated an individual or a charity.

'Tangible moveable property' is property that can be 'touched' and 'moved' and includes items such as plant and machinery, equipment and fixtures and fittings in buildings that are not normally part of the 'fabric of the building' (e.g. solar panels, carpets, other floor coverings, free standing furniture, light shades and fittings, free standing gas and electric fires and kitchen white goods), cars, yachts, fine wine, jewellery etc.

'Taxable property' means residential property and tangible moveable property unless specifically exempted under HMRC legislation.

'Threshold income' broadly means the total income for the tax year on which the individual is subject to income tax. This will include salary, bonus, profits from self-employment, benefits in kind, pension income (including UFPLS), income from property, savings and dividends; plus

- the value of any employer pension contributions made as a result of a salary sacrifice arrangement made on or after 9 July 2015; less
- some allowances and reliefs, e.g. excess tax relief under net pay pension schemes (where full tax relief is not available through payroll), pension scheme tax relief upon making a claim;
- any contribution made by the individual to a relief at source pension (e.g. the gross amount of a contribution to a SIPP);
- any lump sum death benefits received in the tax year which were taxable at their income tax rate.

A more detailed explanation of threshold income can be found in HMRC's online Pension Tax Manual via the following link: https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm057100.

'Trustee' is a person who has been given responsibility for administering the SSAS and safeguarding/investing the assets in accordance with the governing trust deed, rules and relevant legislation.

'Unauthorised payment' is a payment which is not an authorised payment including a loan to a connected person other than a sponsoring employer, an unsecured loan to a sponsoring employer, and transactions with connected persons that are not on commercial terms).

'Uncrystallised funds' are pension funds that have not yet been crystallised in order to provide retirement or death benefits.

'Uncrystallised funds pension lump sum' is a lump sum paid directly to a member from uncrystallised funds, part of which is tax-free.