



Emily McAlister <emily@retirement.capital>

Priory Gate SSAS questions

5 messages

Simon Carlin <simon@thelostcoin.co.uk>

25 June 2021 at 18:36

To: "Gavin McCloskey (gavinm@retirement.capital)" <gavinm@retirement.capital>

Cc: "Emily McAlister (emily@retirement.capital)" <emily@retirement.capital>

Hi Gavin

I met the trustees last Friday online and they asked a question regarding the future admittance of their 3 adult children and the apportionment of growth on scheme assets.

In a nutshell they have recently sold the scheme building for a healthy profit and Dave's pension fund amounts to around £960k and Annettes at £560k. No Fixed Protection in place and Dave had an employer contribution post April 2016 so can't apply. Can a larger share of the growth be attributed to Annette than her approx. 37% fund share of scheme assets? And if adult children were admitted without employer contributions is that ok so long as they are UK taxpayers or have been within the last 5 years? If yes could some or all of the growth be attributed to them instead? Or would their current employer need to adhere as a participating employer first?

One son lives in UK and works for a UK employer so he would be ok whatever; their daughter has lived in the UK in the last 5 tax years but is currently in Spain; their son has been out of the country for more than 5 years and currently lives in China.

I await your thoughts, if easier by phone that is fine.

Many thanks

Regards,

Simon Carlin BA DipPFS DipPMI

Managing Director

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gavin mccloskey <gavinm@retirement.capital>

25 June 2021 at 19:11

To: Simon Carlin <simon@thelostcoin.co.uk>

Cc: "Emily McAlister (emily@retirement.capital)" <emily@retirement.capital>, Nick Donovan <nick@retirement.capital>

Hi Simon,

Many thanks for this.

There are a couple of things to consider - we can apportion part of the growth in favour of his wife and apply this retrospectively but we could not award any of this to the children.

We could admit the children to the scheme and whilst they do not need to be UK tax resident in respect of membership I am not sure if there is a tax benefit in respect of their membership via an adhering employer to support pension contributions (they may struggle to get tax deduction on employer payments given residency).

Is there any way that the employer payment could be awarded in favour of Anette, as you can make third party contributions - this would be perhaps easier as it does give us potential scope for FP. If it is not, then awarding more the property as an asset allocation variation I think may be doable!

Let me know your thoughts if you want us to run some calcs.

Have a good weekend

Gavin

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Simon Carlin <simon@thelostcoin.co.uk>

28 June 2021 at 11:51

To: gavin mccloskey <gavinm@retirement.capital>

Cc: "Emily McAlister (emily@retirement.capital)" <emily@retirement.capital>, Nick Donovan <nick@retirement.capital>

Thanks Gavin

This is just as I thought and we have already done this. I looked at the funds each had prior to the property purchase and then at time of purchase attributed as much of the property as possible to Annette as her share of the scheme funds would allow. Subsequent years I added her share of the rent less her share of any property related charges to get to where we are today.

I will ask about the 2017 pension contribution but suspect the answer is no as that payment came from another JV company which is adhered to the SSAS where I believe Annette had no involvement.

So unless adult children are to be admitted for future employer pension contributions in their own right is it best to only add these on the death of a parent member trustee, whilst ensuring the expression of wish is up to date to include such adult children?

Regards,

Simon Carlin

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gavin mccloskey <gavinm@retirement.capital>

29 June 2021 at 13:36

To: Simon Carlin <simon@thelostcoin.co.uk>

Cc: "Emily McAlister (emily@retirement.capital)" <emily@retirement.capital>, Nick Donovan <nick@retirement.capital>

Hi Simon,

For now we can add the children as trustees (but not members) but the day to day decision making and investments management are delegated to the parents, this way in the event of say joint death the stewardship of the trustee role could revert immediately to the children. This can be effected via a deed of appointment plus trustee resolution. There would be no increase in costs to the scheme as the children would not be members. If they became say, directors or employees in future we could "switch on" their membership of the scheme to accrue relevant benefits.

KR

Gavin

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Simon Carlin <simon@thelostcoin.co.uk>

29 June 2021 at 13:41

To: gavin mccloskey <gavinm@retirement.capital>

Cc: "Emily McAlister (emily@retirement.capital)" <emily@retirement.capital>, Nick Donovan <nick@retirement.capital>

Many thanks Gavin

I guess this would be good advice for any family SSAS where the current members are in their 60s or older.

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