

Meeting Summary

Boyd and Lloyd Pension Scheme

Attendees: Darren Lloyd, Gavin McCloskey, and Rob Boyd

Google Meet: 26 October 2023 Online

Topic: Potential split of assets in a pension scheme

Discussion:

Gavin explained the differences between two types of pensions: SIPPs (where the provider acts as trustee) and SSASs (where the individual acts as the provider). Essentially this could affect a scenario where if you transfer a share of property to a SIPP, the SIPP trustee would be a co-owner of the property and you would be subject to the requirements of the SIPP Trustee. This can be a benefit if you want a hands-off approach under a SIPP, but also a hindrance if you do not want the SIPP Trustee to be a co-owner of the property with you.

Gavin suggested that Rob stays in the current SSAS and Darren joins his own SSAS as Darren has his own trading company. This may make splitting of the fund simpler.

Darren and Rob preferred a SSAS conceptually, as it provides more independence in respect of the property.

They discussed how to split the property within the scheme, with different shares due to contributions.

Darren expressed interest in using the SSAS for future lending and employer contributions, as well as making investments.

Gavin explained that setting up a new SSAS would require paperwork and a potential 12-week wait for approval.

They discussed the logistics of managing the split, including potential direct debits into different accounts, and the value of the property in the scheme.

Additional points discussed:

Darren mentioned that the property's current estimated value is around £240,000.

Gavin clarified that there would be no capital gains tax (CGT) implications when making this change.

They discussed adding a second trustee to their schemes for contingency planning.

Darren and Rob may name the new scheme "Lloyd's Scheme," with the possibility of dropping the "Lloyd" part - they would come back to Gavin on this.

Concerns were raised regarding Metro Bank, Gavin assured them that Metro Bank is not at risk and provided updates on their financial stability.

Darren expressed interest in using the online management portal for easier handling of investments. They discussed opening an Interactive Brokers (IB) account for holding funds and shares, which would offer lower fees than other platforms.

Gavin explained that with IB, they could invest in various funds, including ones like Perpetual and Jupiter. They can access a stockbroker to help them with this stock selection.

Gavin emphasized that IB's fees are significantly lower than most other investment platforms. They discussed the possibility of splitting the scheme into two and activating IB for both at the same time.

Conclusion:

Everyone expressed satisfaction with the plan and looked forward to the next steps in the process. Gavin will send a meeting summary and confirm the costs for the transaction for the trustees to consider and instruct Gavin on the next steps.