InvestAcc

Small Self-Administered Scheme

SSAS

Key Features

www.investaccpensions.co.uk

SSAS Key Features

Please read this document carefully, it is designed to help you decide if the InvestAcc SSAS is right for you.

A Small Self-Administered Scheme (SSAS) is a type of pension scheme aimed primarily at company directors and certain key employees, who require more flexibility and control over their pension arrangements. SSAS can offer a cost-effective, tax-efficient solution to your pension planning needs in a way that can also be very useful to your business. Note that stakeholder pension schemes are generally available and might meet your needs as well as a SSAS, If you are unsure about which pension is best for you, please seek advice from a suitably authorised financial adviser before proceeding. Note that InvestAcc does not provide financial advice.

InvestAcc Pension Administration Limited performs the day-to-day administration, and InvestAcc Pension Trustees Limited will normally act as both professional trustee and scheme administrator, dealing with HMRC on your behalf. You, and any fellow scheme members, will each be appointed as managing trustees and will co-own scheme investments with the professional trustee on behalf of the beneficiaries. Note that any decisions made by the managing trustees must be made on a unanimous basis.

In the case of new SSAS arrangements, there must be an actively trading sponsoring employer when the scheme is established.

Note that the structure of InvestAcc SSAS means that there is one common investment fund, and all members will have an interest in a share of this fund, which may change over time. In other words, InvestAcc SSAS is for close groups of individuals who want to share the same investment strategy.

The InvestAcc SSAS is designed to be a registered pension scheme, which qualifies for all tax advantages available to UK pension schemes and operates as a trust governed by a set of rules which may change from time to time.

Contents

Aims

The InvestAcc SSAS is designed to provide you with:

- A means to save in a tax efficient way for your retirement.
- The option to take a tax-free lump sum at retirement in exchange for part of your pension.
- The opportunity to take your benefits in stages and phase in your retirement if you wish.
- The option to take an income directly from your pension fund either on a regular basis or as ad hoc payments.
- The option to secure a guaranteed income using a lifetime annuity, monitoring changes in market rates.
- Flexibility over provision for your beneficiaries in the event of your death.
- The ability to continue to invest your pension fund whilst withdrawing income, until it runs out.
- The ability to make investment decisions in conjunction with your fellow managing trustees and your investment manager and / or your financial adviser.
- The opportunity to invest in a broad range of investments.
- The benefit of the tax incentives available to registered pension schemes.
- The opportunity to grow your fund, free from capital gains and income taxes, unless your investment is regarded as taxable property or trading by HMRC.

Your investment

- Your SSAS can receive transfers from other registered pension schemes at any time.
- You and / or your employer can normally make contributions to the scheme up until age 75, within applicable limits.
- There is no commitment on your part to continue making contributions and no penalty for ceasing or reducing contributions to a SSAS.
- It is an HMRC requirement that you will not be able to start taking money out of your SSAS until age 55, unless you retire early due to ill health or have a protected early retirement age. The earliest retirement age will rise to 57 from 6th April 2028 and may rise again in the future.
- The level of income withdrawn must be within any applicable HMRC limits, if your funds are subject to capped drawdown rules.

Risk factors

- Benefits due to you are not guaranteed and may be lower than you expect if growth in your investments and interest rates are lower.
- Inflation can erode the value of your investments, and the benefits available from them.
- Some investments may take longer to sell than other forms of investments.
- The value of your commercial property investments will be based on a valuer’s estimate.
- Higher income withdrawals are unlikely to be sustainable, particularly if investment returns are lower than the withdrawals plus charges. They will also reduce the level of any potential future annuity.
- The higher the level of income withdrawals, the less you will have available to provide for beneficiaries, or to buy an annuity in the future.
- Investment growth can be lower than you expect, and capital values can rise or fall.
- Annuity rates can change substantially over short periods of time, both up and down. They could be worse if you buy an annuity later than they are now. If you do decide to buy an annuity, the longer you wait before buying an annuity, the greater the risk you bear of lower levels of income if you live longer than expected.
- As a pooled investment, your investment decisions are made jointly with any other members of your SSAS, and you may not always reach agreement.
- Our charges may change in the future, but we will always write to you to let you know in advance.

SSAS questions and answers

What is a SSAS?

A Small Self-Administered Scheme is a type of pension scheme which allows you to make your own investment decisions, in conjunction with your financial adviser and/or investment manager. If you appoint an investment manager or financial adviser, they must be suitably authorised and regulated by the Financial Conduct Authority.

You, or someone on your behalf, including your employer if you have one, can pay contributions regularly into the SSAS each month or year and/or pay single contributions. You may also be able to transfer funds from other registered pension schemes into a SSAS.

What are the tax advantages?

You and your employer may be eligible to make tax-relieved pension contributions. You should speak to your accountant or your financial adviser about the relevant allowances. Note that personal contributions after age 75 are not eligible for tax relief.

The funds invested are free from UK taxes on the income and gains, unless an investment is regarded as taxable property.

Death benefits are normally paid free of inheritance tax, although the UK Government has said that it plans to change this from April 2027.

Tax benefits may change in the future which could affect the amount of benefits you receive.

What are the investment options?

All contributions and transfer values received are paid into a specifically designated pension scheme bank account.

The trustees may then invest these funds in a wide range of assets such as stock market shares and securities, collective investment schemes, commercial property or land. It may also be possible to lend money to the sponsoring employer, on commercial terms. For full details of the investment options, please see our ‘SSAS Permitted Investments’, which is published on our website and is reviewed from time to time.

Note that all investments are held in a single investment ‘pool’ invested for the benefit of all members of your SSAS. In some cases, we may agree to earmarking specific investments to specific members, which will incur additional fees.

Remember the value of your investments, and the income from them can fall as well as rise.

Investments may need to be sold to pay benefits, and to pay charges and any taxes that are the responsibility of the SSAS.

Note the requirement of Part 36 of the Pensions Act 1995 that the trustees must obtain professional advice upon the suitability of any investment transaction and consider the need for diversification. That advice must be provided in writing and made available to all the trustees by an expert who is suitably qualified. The adviser must be appointed by all the trustees, including any independent or professional trustee. We reserve the right to refuse any investment for which appropriate advice has not been obtained.

What is investment pooling?

For schemes with more than one member, all investments are made jointly on a pooled basis, meaning that all growth, losses and expenses are shared between you in proportion to your interest in the total scheme assets. Any payments to or from the scheme will result in an adjustment to each member’s share of the pooled investments. Examples of such payments include, but are not limited to, contributions, transfers in or out, and benefit payments. All investments under InvestAcc SSAS are deemed to be pooled investments, except where we have agreed to allow the ‘earmarking’ of specific investments to specific members, in which case additional fees apply (see our SSAS Guide to Services and Fees for more information).

What benefits can I have from the SSAS?

You can start to take withdrawals from your SSAS from age 55 (rising to age 57 from 6th April 2028), whether you have retired or not. Under current rules, you cannot normally access your pension before age 55, unless you retire early due to ill health or have a protected early retirement age.

The size of your fund will depend on how much you have invested, the length of time over which funds have been invested and the return from the investments after charges. This may also be reduced by the effects of inflation.

Tax Free Cash (also known as a Pension Commencement Lump Sum)
This is a payment of up to 25% of the value of your share of the SSAS which you have not yet started to access. It is subject to an overall limit of your Lump Sum Allowance (the standard rate is £268,275 in 2025/26 but you may have a higher or lower amount than this).

Flexi-Access Drawdown Income
This income can be withdrawn at the same time as any Tax-Free Cash mentioned above, or at a later time. Payments can be ad-hoc, monthly, quarterly or yearly. Note that income is subject to income tax at your highest marginal rate (see later). There is no upper or lower limit on the amount of income, but if you take any income at all it will trigger the Money Purchase Annual Allowance, which reduces the maximum tax relieved pension contributions which can be made for you and removes the option to carry forward unused money purchase contribution allowances.

Capped Drawdown Income
If you already had a Capped Drawdown fund in April 2015, you may be eligible to retain this provided you have not exceeded the maximum income limit or elected to convert it to Flexi-Access Drawdown (see above). Income is subject to an overall maximum level which is set and reviewed every 3 years prior to age 75, and then every year after that. Provided you have not exceeded the maximum Capped Drawdown Income limit, you will not be subject to the Money Purchase Annual Allowance.

Uncrystallised Funds Pension Lump Sum (UFPLS)
This is a payment, of which 25% is normally tax-free, with the balance subject to income tax at your marginal rate. The tax-free element must fall within your available Lump Sum Allowance (the standard rate is £268,275 in 2025/26 but you may have a higher or lower amount than this).

Secure Income (via a Lifetime Annuity)
You may be able to purchase a secure income via a Lifetime Annuity product, offered by an insurance company. This will usually provide an income for life which is guaranteed and may cover you and your partner and/or dependants. Income is taxable at your highest marginal rate of income tax. Please refer to the 'Can I buy an annuity?' section for more details.

For further information about the possible benefits from your SSAS please discuss the options with your financial adviser.

How much income can I withdraw from the SSAS?

For flexi access drawdown payments, there is no minimum or maximum amount of withdrawal.

Your financial adviser can explore alternative levels of income with you and the implications of taking different amounts. You need to think about the level of income you need, bearing in mind any other sources of income you may have, as well as rises in the cost of living and the need to provide for your dependants or beneficiaries.

For existing capped drawdown arrangements (set up prior to 6th April 2015), there are limits laid down by the Government as to the maximum annual income that can be taken from your fund, as shown in your illustration. This maximum limit aims to avoid excessive depletion of your SSAS but cannot guarantee it.

You can vary the income level at any time but if you are using capped drawdown then you must not exceed the maximum income limit each pension year.

If you are taking capped drawdown your age will determine when the maximum level of income is recalculated:

- If you are under 75 and taking income drawdown as capped drawdown, we must recalculate your maximum levels of income at least every three years.
- If you are 75 or over and taking capped drawdown, we must recalculate your maximum level of income every year.

This recalculation may mean your maximum level of income may reduce or increase.

At each review, your financial adviser can provide an indication of the annuity that could be secured at that time.

Can I buy an annuity?

Although there is no longer a requirement to purchase an annuity, you may do so if you wish.

You should speak to your financial adviser about this option, as beyond a certain age you might not get as much from an annuity as you were taking in income withdrawals. This is particularly true if you have taken high levels of income. Generally, the older you are the more annuity you can buy for your money. Annuity costs can change all the time, up or down. Remember you can use your funds on the open market to take advantage of the best rates available from the whole range of insurance companies that offer annuities.

An annuity can provide a fixed amount of income, or it can increase each year. It is also possible to buy an annuity, which will continue to be paid to your spouse, dependants, or beneficiaries if you die. The income can be paid for life, or for a fixed period of time.

InvestAcc is not an annuity provider.

What happens if I am a member of a SSAS and I die?

You can nominate beneficiaries to receive benefits. In common with most UK pension schemes, payments to beneficiaries are made at the discretion of the trustees, which usually avoids Inheritance Tax. Benefits may be in the following forms:

A lump sum, **or**
A flexi access drawdown pension (for a dependant or nominated beneficiary), **or**
An annuity purchased on the open market (for a dependant or nominated beneficiary), **or**
A charity of your choice (provided you have no surviving dependants at the time).

Please see the section on 'Are there any possible tax charges?' for more information.

What happens if I am a member of a SSAS and stop paying contributions?

Your SSAS will remain invested, but your benefits may be lower than you expected.

Can I make extra contributions to my SSAS?

Yes, provided they are within applicable limits.

How do I obtain tax relief on my contributions?

If you are a UK resident, your regular and single contributions are paid gross, and any tax relief should be claimed from HMRC by you personally. If your employer makes contributions, they will pay them gross. There is no tax relief on transfers from other pension funds into your SSAS. Note that personal contributions after age 75 are not eligible for tax relief. Remember that the rules on tax relief depend on individual circumstances and may change in the future without prior warning.

Can I transfer out?

Yes, but funds providing income withdrawals may only be transferred to registered pension scheme arrangements which have been set up for the purpose of receiving transfers from income withdrawal arrangements.

At our discretion, we may agree to a partial transfer out, although this will not be possible with any crystallised funds.

Can I change my mind?

There are no cancellation rights in respect of your SSAS.

Can I change my mind when electing to take benefits?

No.

What charges can I expect?

The charges for all transactions that take place in respect of InvestAcc are described in the Guide to Services and Fees.

How will I know what my share of the SSAS is worth?

Valuations are available from us on request.

Are there any possible tax charges?

Investments within your SSAS will generally enjoy freedom from UK tax on income and capital gains. However, if investments are regarded as taxable property or result in payments which HMRC deem to be unauthorised payments, they will be subject to tax charges prescribed by legislation.

Contributions in excess of the applicable limits will be subject to a tax charge at your highest marginal rate of income tax, unless this contribution is made in the same tax year in which you die or receive a Serious Ill Health Lump Sum.

If at any time you receive benefits which are not in accordance with current pension rules (including as a result of tax-free cash recycling) these will be regarded by HMRC as unauthorised payments and will be subject to any tax charges that are prescribed by legislation.

When you come to take your pension, income payments will generally be taxed under Pay As You Earn (PAYE) systems.

Death benefits may be taxed, depending on the type of payment and when death occurs; any lump sum payments made to a Charity nominated by you are not subject to tax.

Tax on lump sum death benefits:
If you die before age 75, lump sums up to your unused Lump Sum and Death Benefit Allowance (normally £1,073,100 in 2025/26, but you may have a higher or lower amount than this) are tax free to beneficiaries within 2 years of your death, or the Scheme Administrator becoming aware of your death, if later. If paid after 2 years, they will not be tested against your unused Lump Sum and Death Benefit Allowance but will be subject to the beneficiary's marginal rate of income tax.

If you die from age 75 onwards, lump sum payments are subject to the beneficiary's marginal rate of income tax.

Tax on income death benefits:
If you die before age 75, income payments tax free to your beneficiaries, provided the benefits are designated within two years of your death, or the Scheme Administrator becoming aware of your death, if later. Note that there is an exception to the two-year rule, where death occurs before age 75 and the deceased was already in drawdown, then funds can be designated to beneficiary drawdown at any time, and still be tax-free.

If you die from age 75 onwards, income payments are taxable at your beneficiary's marginal rate of income tax. No inheritance tax is normally payable.

No inheritance tax is normally payable, although the Government has said that it intends to change this from April 2027.

How much will the advice cost?

Your adviser will give you details about the cost of their advice and services. Please note that InvestAcc does not provide any form of advice, including financial, investment or tax advice.

What if I have a complaint?

If you have any cause for complaint about the service you have received in respect of the administration of your SSAS, please contact:

Compliance Manager
InvestAcc Pension Administration Limited
Solway House Business Park
Kingstown
Carlisle
CA6 4BY

You may also make a complaint to the Occupational Pensions Advisory Service and then to the Pensions Ombudsman.
Details can be supplied on request.

Any complaint regarding the advice given to you by your financial adviser should be directed to them for review under their own complaints process, details of which should already have been provided by them.

If you have a complaint regarding an individual investment, this should be directed to the individual fund manager concerned and again, details should be provided by your financial adviser.

Making a complaint will not affect your legal rights.

Can I claim compensation?

Although the SSAS itself is not covered by the Financial Services Compensation Scheme, trustees may be able eligible to make a claim for the failure of certain investments, or regulated advice given by a financial adviser which has failed.
You can read more about this at www.fscs.org.uk

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