

SSAS Takeovers – How to switch providers

A Small Self-Administered Scheme (SSAS) is a type of occupational pension scheme designed for business owners and directors. They differ from SIPPs and other forms of pensions because they are set up as small-scale, standalone pension schemes registered with HMRC.

The 'provider's' role is typically limited to administration support with the members of the scheme acting as trustees.

This means that SSASs have the ability to remove their provider and replace them with another if needed.

This is a process known as scheme takeover.

SSAS Takeover process – a two stage process

1. Scheme health check

Firstly, we need to understand how well the scheme has been operating. This is important to see if legacy issues need to be assessed and rectified in order to minimise the risk of further complications or HMRC penalties.

This review is often called a scheme health check. It is a bit like carrying out an MOT on a car. We will look at the assets, bank accounts, reporting history, trust deed and rules, and many other items to ensure all is in order.

Once we have completed this assessment, we then provide detailed feedback, usually with an offer to take over the scheme, if agreed.

Should issues be found, we will likely suggest solutions that will resolve them. If these issues are complex and serious, there may be additional costs to provide a resolution.

2. Scheme takeover

Stage two is the takeover. We will issue all the necessary documentation that effectively removes the current SSAS provider and replaces them with @ssas, which is our SSAS subsidiary, based on the desired level of support required (see important notes below).

The relevant parties simply need to sign this paperwork and the member trustees will also need to update HMRC on the change through an online portal for scheme administrators. If preferred, we can be given the login details and will carry this out on their behalf.

Once done, the scheme will run as normal, though with @ssas providing high quality support services to the scheme member trustees.

Some important notes

Scheme Practitioner role

When taking over an existing scheme, we will normally offer to be the associated scheme practitioner only. This is purely so that we can become familiar with the running of the scheme and ensure no problematic factors are discovered after the takeover.

The scheme administrator will adopt any legacy issues that are liable for penalties, and once we are satisfied that this will not be the case, we will offer this role if preferred.

Some SSASs use their provider in a professional trustee role. This means that the assets may show the name of the provider on them, for example property titles.

Should this be the case, the title may require a legal change and therefore involvement of a solicitor.

Professional Trustee

Clients moving to our @ssas service can choose whether to appoint us as a professional trustee or not.



Why consider SSAS takeover?

Transferring out of a SSAS can be a complex and costly process. In most cases the SSAS owns its assets, meaning that simply replacing the provider removes the need to transfer, which can incur high costs and lengthy timescales.

A SSAS takeover therefore provides advisers and clients with the ability to move away from poor service and high fees in a time and cost-efficient manner.



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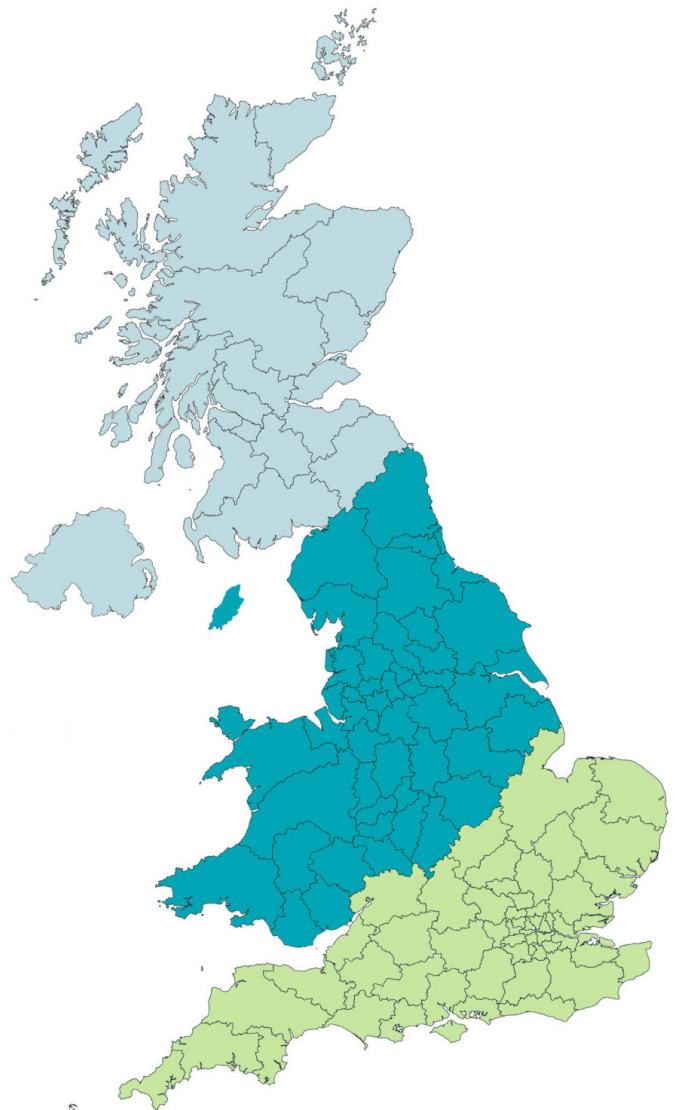
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