
SMALL SELF-ADMINISTERED SCHEMES (SSAS):

KEY FEATURES DOCUMENT

Introduction

This document summarises the key features of a Small Self Administered Scheme (SSAS), which is a particular type of Registered Pension Scheme for up to 11 members, established by an Employer for the benefit of their Directors and/or Senior Staff. The SSAS is established via a Trust Deed and Rules and is individually registered with HM Revenue and Customs.

Each member is appointed as a Trustee to jointly manage the pension fund alongside Organon Pension Trustees Limited (Organon), who will act as Professional Trustee. Organon will be responsible for the registration of the SSAS with HMRC and its administration in accordance with the trustees' wishes and pensions legislation. It is important that the Members take detailed advice from an Independent Financial Adviser when deciding how SSAS funds should be invested.

Aims of the Plan

- To provide a flexible and tax efficient vehicle to enable SSAS members to save for retirement.
- To provide a regular income when members retire with the option of taking part of the fund as a tax-free lump sum.
- To provide a regular income and/or lump sum for dependants on the death of a member.
- To allow members control over their pension savings by allowing the member trustees to decide themselves how funds should be invested.
- To provide the opportunity to invest in a broad range of investments, including commercial property.
- To provide the opportunity to transfer in other registered pension schemes to the SSAS.
- To protect investments from creditors of the employer and personal bankruptcy.
- To provide the option to purchase the Employer's trading premises. The rent then paid to the SSAS is free of tax with no Capital Gains tax on sale.

What are the Risk Factors?

General

Establishment of the SSAS is offered on an execution-only basis without pension advice. Organon cannot give you any advice as to whether a SSAS is suitable for you. You should seek advice on this from an Independent Financial Adviser.

SMALL SELF-ADMINISTERED SCHEMES (SSAS):

KEY FEATURES DOCUMENT

You cannot cash in your SSAS. You must take benefits in accordance with the Rules, no earlier than age 55. You can though transfer your SSAS assets to another pension scheme, subject to additional charges.

Transfers in

By transferring other pension benefits into the SSAS you may be giving up the right to guarantees in the form of benefits, the amount you will receive and also the level of increases that will be applied to your pension in future. You may be giving up the right to receive a terminal bonus on with-profit pension plans and/or a penalty may be applied to your current pension plan.

Investment

You, along with the other Trustees are collectively responsible for deciding where to invest your SSAS assets. If you do not use a professional adviser, the risk will be all yours. We do not make investment recommendations. Any investment information is provided solely to enable you to make your own investment decisions and must not be treated as solicitation or recommendation to buy, sell or otherwise deal in any particular investment. We are not authorised to give you any investment advice.

The value of investments can fall as well as rise and is not guaranteed. Past performance is no guide to future performance. The investment returns on your fund may be less than those shown in any illustrations you may receive from us or your advisor.

You will be able to deal in a range of investments each of which carries a different level of risk and you should note that we do not monitor the performance of the investments in your SSAS. It is up to you or your adviser to do this. Some investments, e.g. property, can be illiquid and any delayed sale may impact on when you can take your benefits.

Questions & Answers

What is a SSAS?

A SSAS is a special type of pension scheme for up to 11 members. It is established by an employer and its membership is usually restricted to the business owners, directors or senior staff. The members are each appointed as trustees who, along with their advisers, choose how your funds are invested.

Who can have a SSAS?

If you have earnings that are subject to UK tax or have no earnings but are resident in the UK for tax purposes then you may make personal contributions to a SSAS or alternatively, have them paid on your behalf by a third party (for example, your employer).

SMALL SELF-ADMINISTERED SCHEMES (SSAS):

KEY FEATURES DOCUMENT

How much can be paid in?

You and/or your employer can pay contributions to the SSAS at any time from age 18 to age 75 with no minimum contribution level. Contributions can be paid regularly or as one-off payments, stopped or varied at any time.

The vast majority of contributions to a SSAS tend to be made by the Employer on behalf of the members (i.e. by cheque or bank transfer). Detailed personal financial advice should be sought before making such contributions, as there could be tax consequences. Contributions will be treated for tax as follows:

- Personal contributions up to the higher of £3,600 or 100% of your earnings receive tax relief at your highest marginal rate.
- Company contributions are paid gross and receive tax relief if HMRC deem them appropriate to your role in the company.
- If contributions to all your pension arrangements exceed an "annual allowance" you will normally be subject to a tax charge on the excess. The Annual Allowance is currently £60,000 per annum. In addition you may be able to "carry forward" unused allowance in the previous three tax years. Again, it is recommended that you seek detailed independent financial advice regarding the level of contributions paid to the SSAS on your behalf.
- Where you have already accessed retirement income flexibly, i.e. via "Flexi-Access Drawdown" or "Uncrystallised Funds Pension Lump Sum" a special restricted "Money Purchase Annual Allowance" (MPAA) will apply. The MPAA is currently £10,000 per annum with no provision to carry forward unused allowance from previous years.
- For high-earners, i.e. those with "Adjusted Income" over £260,000 for the tax year and "Threshold Income" over £200,000, the Annual Allowance will be reduced by £1 for every £2 of Adjusted Income over £260,000. The maximum reduction is £50,000.00 which means anyone with Adjusted Income over £360,000 will have an Annual Allowance of £10,000.
- You may be required to produce evidence of the source of wealth from which the contributions originate. This could be a copy of a bank statement or P60 as evidence of earnings.

Are there any other tax advantages?

In addition to Income and Corporation Tax relief received on personal and employer contributions respectively, the following tax benefits apply to a SSAS:

- Your pension fund is free from UK income and capital gains taxes except that tax may not be reclaimed on UK dividends.
- On your death prior to receiving benefits, your accumulated fund can normally be paid free of tax.
- On retirement 25% of your fund may be paid to you as a lump sum entirely free of tax.

SMALL SELF-ADMINISTERED SCHEMES (SSAS):

KEY FEATURES DOCUMENT

Can I transfer my existing pension into my SSAS?

You can transfer benefits from any registered pension scheme into your SSAS. It should be noted that Organon does not provide advice relating to the merits of such transfers and therefore suggests that you consult a suitably qualified financial adviser before proceeding with any transfer of benefits. Should you wish to transfer in benefits with any form of guarantee ("Safeguarded Rights") you may only do so under guidance from a suitably qualified Independent Financial Adviser.

Can I transfer my SSAS to another pension?

You can transfer your benefits in a SSAS to another UK registered pension scheme or to a qualifying recognised overseas pension scheme at any time should you so wish.

When can I take my retirement benefits?

Other than on ill-health grounds, you will not normally be able to commence benefits until you have reached "minimum pension age" which is currently 55. From 6 April 2028 this will increase to 57.

What are the charges?

Please refer to our fee schedule which gives a comprehensive breakdown of all charges relating to the set up and ongoing management of your SSAS.

What benefits will be available when I retire?

You will normally be allowed to take up to 25% of your fund as a tax-free lump sum with the remainder being used to provide income.

If you don't need the full tax-free lump sum as one payment you can choose to take this across a number of withdrawals.

Any withdrawals above 25% of the pension fund will be subject to income tax at your marginal rate (e.g. 20%, 40% or 45%, depending on whether the payments take you into the higher rate tax thresholds).

There is no limit on the amount which can be built up within a pension fund and 25% can be withdrawn as tax-free cash, subject to a Lump Sum Allowance of £268,275 covering your total benefits in all schemes.

What options will I have to take an income at retirement?

Assuming that you take 25% of your fund as a tax-free lump sum you will be able to choose how you take any income from the remainder of your pension fund.

You will be able to take the whole fund in one go, take smaller lump sums when you want them or take a regular income. In each case income tax will be deducted at source.

You will be able to draw your income directly from your pension fund (through "Flexi Access Drawdown" or "Uncrystallised Funds Pension Lump Sum") or by purchasing an annuity from a Life Insurance Company of your choice.

SMALL SELF-ADMINISTERED SCHEMES (SSAS):

KEY FEATURES DOCUMENT

You will be able to take income as a combination of these options.

You should be aware that once you commence drawing a taxed pension from the fund your scope for subsequent pension contributions will be limited to £10,000 per annum with no possibility of carrying forward unused allowances from previous years (known as the "Money Purchase Annual Allowance"). If you commenced drawdown prior to 6 April 2015 this may not apply to you.

What benefits are payable if I die?

Death before Age 75

If you die before age 75 your pension assets will normally be paid out tax free to any beneficiary as a lump sum or a pension, subject to a Lump Sum Death Benefit Allowance of £1,073,100. Any tax-free cash paid to you previously is deducted from the Allowance. Any excess fund will be subject to income tax at the beneficiary's marginal rate of withdrawal.

Death after Age 75

Any remaining assets may be passed in pension form to your beneficiaries without any immediate tax charge. The beneficiary will then pay their marginal tax rate on any income they take from the pension.

What help is available to me in deciding what retirement options to choose?

Deciding when and how to take retirement benefits is an important decision and we strongly suggest that you consult your independent financial adviser before any decision is made.

If you do not have a financial adviser you will be able to locate one in your area via the website: www.unbiased.co.uk

If you do not seek independent regulated advice you should be aware that you are entitled to access free, impartial guidance on your pension options, including the option of a face-to-face conversation about your options via the Government's "Pension Wise" initiative (<https://www.pensionwise.gov.uk>). Under the initiative, telephone guidance is delivered by The Pensions Advisory Service (TPAS) (www.pensionsadvisoryservice.org.uk) with face to face guidance delivered via the Citizens Advice Bureau (www.citizensadvice.org.uk)

Further free information on your pension options may be obtained via the Money Advice Service. Please refer to their factsheet: "Your pension: your choices": (<https://www.moneyhelper.org.uk/free-printed-guides>)

How do I contact you?

Most SSAS customers tend to have a financial adviser who will liaise with us on your behalf. Alternatively, we can be contacted direct at:

Organon SIPP Services Limited, 8th Floor, Regent House, Heaton Lane, Stockport, SK4 1BS