

Carey Pensions UK

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KEY FEATURES OF

CAREY SMALL SELF-ADMINISTERED SCHEME

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## Key Features of the Carey SSAS

### Introduction

The purpose of this document is to give you important information to help you to decide whether the Carey SSAS is right for you. You should read this document carefully so that you understand the contract you are taking, and then keep it safe for future reference. The document sets out the aims of the Carey SSAS, what the commitments are once you have commenced the SSAS and then outlines certain risks you should be aware of. We have also included some questions and answers to help you. Within this Key Features document we have indicated where you can obtain further information, where applicable. Where we refer to 'you' throughout this document, we mean you either singularly or as a member of a group (such as directors of a company or partners in a partnership) who may be considering a SSAS.

### Aims of the Carey SSAS

The plan is designed to allow a group of individuals, for example directors of a company or partners in a partnership, to:

- Save for retirement in a tax-efficient and flexible way.
- Build up a pension fund for the scheme members to provide a tax-free cash sum and income.
- Combine what each member pays in to form a larger pension fund to potentially give greater investment opportunities.
- Take control of pension fund investments through wider investment choices than some other types of personal pension arrangements allow. Investment decisions can be made by you or with your adviser.
- Make transfer payments from other suitable pension arrangements. It is possible to transfer contracted-out benefits (representing National Insurance rebates received through 'contracting-out' of part of the state pension scheme) into the plan. See our [Glossary Document](#) for more information on 'Contracted-out benefits'.
- Take benefits in stages, if you want to.
- Decide to whom you would like benefits to go on your death.
- Potentially pay lower administration costs per person than may be the case if you had individual pension arrangements.

### Your commitments

Once you have commenced a Carey SSAS, the commitments include:

- Nominating a scheme 'sponsor' who will be the entity such as a company, partnership or other collection of individuals.
  - Each member becoming a 'member trustee' of the scheme and adhering to the scheme rules and obligations of being a scheme trustee – [Please see the Scheme Trustees section of the Questions & Answers](#).
  - Paying money in either personally or from the scheme sponsor and/or transferring in benefits from other suitable pension arrangements.
  - Keeping those funds within a pension scheme, until you take benefits, the earliest at which will be age 55 from 2010 onwards.
  - Taking responsibility for the management of the investments in your fund. You can manage them yourself or through an investment adviser.
  - Where you wish to do so, you take your tax-free cash sum by age 75 (you lose that entitlement if you have not applied for the tax-free cash sum prior to age 75).
  - To adhere to the Trust Deed and Rules of the SSAS. [Please read the SSAS Trust Deed and Rules for more details](#).
  - To tell us if you stop being eligible for a SSAS or you are aware any personal contributions are not eligible for tax relief ([please see our Questions & Answers section for examples where this could be the case](#)).
- Paying our fees for administering the SSAS and any other professional advisory fees that may be incurred on behalf of the scheme.
  - Agree to Carey Pension Trustees UK Limited being the professional corporate trustee to the SSAS.

### Risk factors

Below are outlined risks associated with saving for retirement through a SSAS. Some of the risks below refer to the investment performance of the funds within a SSAS. Remember that you are responsible for the investment decisions, although you may delegate this to an adviser agreed with us. If the products you invest in also have key features documenting the specific risks applicable to that investment, you are recommended to read these as well as this document.

- A personal pension or a stakeholder pension may offer an individual some of the same options as a SSAS at a lower cost. [Please see our Questions & Answers section for more details on what type of investor the Carey SSAS is aimed at, together with a comparison of alternative options](#).
- The favourable tax treatment for pensions savings could change in the future.
- Investment performance may be better or worse than expected which could affect the potential size of your pension fund and therefore the benefits you receive.
- The charges or fees paid to investment managers could change and be higher than expected which could affect the potential size of your pension fund and therefore the benefits you receive.
- Other things that can affect the potential size of your fund and the benefits you receive include the amount that is paid or transferred in to the SSAS, which could be less than anticipated, or if you take the benefits earlier than you were aiming for.
- Investment conditions can also affect your pension income. If you convert your pension fund to an annuity ([please see our Glossary to find out what this is](#)) then prevailing interest rates can affect annuity rates (generally speaking lower interest rates will mean that it costs more to buy an annuity than when interest rates are higher.) Alternatively, if you decide to draw income directly from your fund in the SSAS then investment returns may not sustain your income requirement.
- The fees we charge to administer the SSAS are fixed – this means that the fees could become disproportionate to the value of the fund, for example if investment values fall and/or only small amounts are paid in by you or the scheme sponsor.
- The SSAS is a 'pooled' scheme – this means that the scheme may hold investments on behalf of more than one scheme member. If one scheme member wishes to take or transfer their benefits, scheme investments may need to be sold. An example would be a commercial property held on behalf of a number of scheme members.
- There may be a delay in receiving benefits if some of the scheme investments cannot be sold quickly or not all members wish to sell. For example there could be a delay in selling a property held on behalf of all the scheme members.
- Whilst the SSAS can accept transfers from other pension schemes, not all transfers are suitable. You must seek professional advice before proceeding with a transfer as in some cases you could lose valuable benefits for you and your family. These benefits can include, but are not restricted to, certain rights, options or guarantees.
- In cases where there is a requirement for a pension transfer analysis to be produced, i.e. in the case of a transfer from an occupational scheme, we will require sight of the advice given. This is to ensure advice has been provided however Carey Pensions UK LLP is not responsible for the appropriateness of the advice.

## Questions & Answers

### About the SSAS

#### What is the Carey Small Self Administered Scheme (SSAS)?

The Carey SSAS is a plan that allows a group of individuals, such as the directors of a company or partners in a partnership to save for retirement in a tax-efficient and flexible way. The SSAS requires a scheme ‘sponsor’, for example a company or partnership.

The benefits you can receive are subject to UK pensions legislation. This includes rules about:

- limits on contributions that can qualify for income tax relief;
- the earliest age you can take benefits: and,
- limits on the amount of benefits that can be paid without tax penalties, including the amount that can be taken as tax-free cash.

#### Who invests in SSASs?

SSASs are used by companies, partnerships or other groups of people who want to:

- Set up a pension arrangement on behalf of all or certain individuals within the company, partnership or other group – these individuals will become scheme members;
- Collectively or individually, invest in a wide range of assets;
- Make investment decisions about their pension assets;
- Withdraw an income while continuing to make investment decisions about the remaining pension assets.

A SSAS is unlikely to be appropriate for people who won’t use the flexibility a SSAS offers or who have only a small amount to invest. This is because the administration fees for a SSAS reflect the wider investment opportunities that exist. You are recommended to take advice from a suitably qualified financial adviser when deciding whether a SSAS is the right pension option for you. Below are listed potential alternative products from the Carey range to help you compare these with the SSAS.

If...	Then...
You do not feel you are likely to invest in a wide range of investments and/or are only going to pay in total less than £25,000	A Carey Group or individual Personal Pension could be an alternative option as this offers limited investment choice with lower administration fees than the SSAS – for further information, please see our <a href="#">Personal Pension key features document</a> or our <a href="#">Workplace Pensions Information Sheet</a> .  A Stakeholder Plan (not part of the Carey product range) may also be suitable
You are part of a group of people looking to pool their pension funds to make an investment, for example, to buy a particular commercial property but wish to retain the flexibility of individual plans (rather than being a member of a combined scheme)	A Carey Group SIPP may be an alternative option – for further information please see our <a href="#">Group Arrangements information sheet</a>
You are an employer looking to provide benefits for your employees	A Carey Group Personal Pension and/or Carey Group SIPP may be appropriate – for further information please see our <a href="#">Group Arrangements information sheet</a> .  A Stakeholder Plan or other occupational scheme (not part of the Carey product range) may also be suitable.

You should speak to a financial adviser about the most suitable pension option for you.

#### Who will administer my SSAS?

Carey Pensions UK LLP will administer your SSAS in accordance with the Trust Deed and Rules (please see the Glossary to find out more about the Trust Deed and Rules). This involves the day to day running of the SSAS, ranging from processing contributions, transfers, investments and paying benefits, to ensuring the SSAS adheres to HMRC rules and regulations.

#### Who are Carey Pensions UK LLP?

Carey Pensions UK LLP are part of the Carey Group, who provide a wide range of financial services including the formation of trusts and companies in various jurisdictions, the setting up and administration of personal pensions and employee benefit trusts and share option plans. The Carey Group is affiliated to Carey Olsen, the largest law firm in the Channel Islands.

Carey Pensions UK LLP is authorised and regulated by the Financial Services Authority under reference number 501747.

#### Will the SSAS have a bank account?

Each Carey SSAS will be set up with a dedicated scheme bank account. It will be through this bank account that payments into and out of the SSAS will be made. Other than to meet anticipated expenses, you will need to keep a minimum balance in this bank account but any additional deposits can be invested elsewhere. Interest is payable on each separate account and the rate depends on how much money is in each individual account. The interest rates will be notified to you and also included on our website [www.careypensions.co.uk](http://www.careypensions.co.uk)

**What will my plan be worth?**

The final value of the SSAS will depend on how much is paid in by you and on your behalf, the charges paid, and how well the investments perform.

We will send each scheme member an annual statement showing how their share of the scheme is performing. The valuation of certain assets such as property may not be precise. If you need precise figures, we will ask professional experts to value the assets for which they would charge a fee, usually payable from the SSAS.

**How much pension will I get?**

Pension payments can come from part of or your entire fund. How much you get will depend on the amount of your fund, how much of it you use for pension and the investment conditions when you take benefits. Therefore we cannot tell you now how much pension you will receive in the future.

**What are the charges?**

We charge fees to cover the cost of administering the SSAS. In broad terms, these fees cover such things as setting up the SSAS, the ongoing administration and regulatory reporting of the SSAS and for carrying out certain transactions. The fees for administering the SSAS are detailed in full in our Fees Document which can be found on our website [www.careypensions.co.uk](http://www.careypensions.co.uk)

We aim to make our fees open and transparent so most administration activities that we are likely to carry out are detailed in our fee schedule. Occasionally a situation may arise, for example a particularly complicated transfer of pension benefits, where we need to charge additional fees for the work carried out – in such circumstances, we will provide notification before carrying out any work and agree the basis of charging this additional fee i.e. whether it will be a fixed fee or linked to the time spent on the task, and we will agree any limits to the fee incurred and whether the fee is to be paid by the scheme member(s), the scheme sponsor or taken from the SSAS.

Please remember investment providers may also charge for the purchase, sale and management of assets. They will provide details of these separately (they may provide a Key Features Document similar to this one). Our charges are in addition to costs involved in the purchase or sale of assets levied by the investment companies. Examples of extra costs include solicitors' fees, unit trust set-up fees, the cost of selling assets to provide income withdrawal. If there is insufficient money in the SSAS bank account to cover our charges, we can either sell scheme assets to meet these costs or ask the scheme members or scheme sponsor to pay the charges.

**The Scheme Trustees****Who will be the scheme trustees?**

Each scheme member will be a trustee along with Carey Pension Trustees UK Limited. The trustees are the legal owners of all the assets and investments held under the Scheme, which are held to the order of the scheme administrator. The trustees are also responsible for ensuring the SSAS adheres to HMRC rules and regulations, through the guidance they receive from the scheme administrator, as noted previously. The member trustees will need to decide the minimum number of signatures required on payments from the scheme and whether investment decisions will be based on a unanimous or majority member decisions. Carey Pension Trustees UK Limited will always be required as a signatory to countersign any payments or documents.

**What is a trustee and why have them?**

Many pensions schemes are created as a trust. A trust is simply a legal 'wrapper' that identifies money, investments or assets that are held on behalf of someone else, called a beneficiary. The trustees are the people who are responsible for holding the trust money, investments or assets, on behalf of the beneficiaries. Sometimes, the trustees and beneficiaries are the same people.

This is true in the case of the SSAS which is established as a trust. One of the reasons the SSAS is established as a trust is that it creates a wrapper to hold the scheme assets on behalf of the scheme members who will eventually benefit from the scheme assets through receipt of pension benefits. These assets need to be identified as scheme assets as they receive tax benefits; also they need identifying in order to separate them from other assets of, say, an employer who has set the pension scheme up. The reason this is important is that if the employer went into administration or liquidation, the pension scheme assets do not form part of the business as they are held in 'trust'.

**I have no experience as a trustee – does that matter?**

Do not worry if you have no trustee experience. Carey Pensions UK LLP, who provide administration services to the SSAS, are there as the 'experts'. Their role, apart from administering the SSAS, is to ensure that the various rules and regulations that apply to a SSAS are adhered to. Carey Pension Trustees UK Limited will also act as trustees alongside you. That means they countersign any documents that you would sign, and therefore act as a double-check on what you have signed.

**So what are my responsibilities and obligations?**

As both a trustee and potential beneficiary of the assets within the SSAS, primarily your responsibilities and obligations are to ensure the scheme assets are invested wisely and that no reckless actions are taken by you or other member-trustees that jeopardise the beneficial tax status of the scheme.

What this means therefore is that you will:

- Agree to abide by the scheme rules, as amended by Carey Pensions, from time to time;
- Be a signatory on the scheme bank accounts (if there are a group of you as member trustees, you may decide on a minimum number of signatures you require for payment instructions);
- Agree that Carey Pension Trustees UK Limited is a co-trustee to the scheme;
- Agree that Carey Pension Trustees UK Limited is a co-signatory on all instructions, payments and legal documents;
- Accept the basis on which investment decisions are made by the member-trustees, whether this be on an unanimous or majority decision basis (the trust deed will state which it is);
- Not make any investments or payments or commitments without the authorisation of Carey Pension Trustees UK Limited;
- Act in the best interests of the scheme beneficiaries ;
- Act impartially, prudently, responsibly and honestly;
- Ensure that your fellow member-trustees adhere to these rules;

**Where can I find out more about the role of a trustee of a pension scheme?**

Probably one of the best sources of information is The Pensions Regulator who has a large amount of information for pension scheme trustees (please bear in mind though that some of their information is relevant to member-trustees of large occupational pension schemes, so the set up will be different to the smaller nature of a SSAS).

Their website is [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

**Paying into the SSAS****How and when can money be paid into the SSAS?**

Payment options include:

- One-off or annual payments from you or the scheme sponsor;
- Regular payments from you or the scheme sponsor – any frequency can be chosen;
- Transfer of pension benefits from other suitable pension arrangements. It is possible to transfer contracted-out benefits (also known as 'Protected Rights' – see the Glossary to find out more) into the plan

- Paying in existing ‘non-pension’ assets currently held outside of a pension fund (this means you will not have to cash them in). An example could be a share portfolio.

Subject to the scheme trustees agreeing, payments can be stopped, payment holidays can be taken and payments restarted later. Remember though, stopping payments, even temporarily, may reduce the value of the retirement fund.

#### Are there limits on what can be paid in?

Payments can be made to the SSAS at any age. Any contributions paid after age 75 do not attract tax relief. We will only allow payments up to the annual allowance set by HMRC.

Dealing firstly with payments made into the SSAS on behalf of scheme members, payments made into the SSAS (usually from an employer) are treated as a business expense and therefore set against profits made, reducing employer’s tax liability. Any contributions made by the SSAS sponsor on behalf of the individual member are offset against the individual’s Annual Allowance, as detailed below.

Everyone can pay, and get tax-relief on, up to £3,600 gross each year. More than this can be paid into a SSAS and still get tax relief, based on the lower of your UK Relevant Earnings and the Annual Allowance. [Please refer to the later section on ‘Tax & the SSAS’ which details how tax relief is granted and the limits applying.](#) The annual allowance for this and next tax year is detailed below; The Government recently confirmed the Annual Allowance will be frozen for the five years from 2011/12.

Tax Year	Annual Allowance
2009/10	£245,000
2010/11	£255,000

The Annual Allowance applies as a total limit across all of your Registered Pension Schemes in a tax year. It covers:

- Individual payments
- Employer payments made on your behalf
- Any increase in the value of retirement benefits you may earn from a defined benefit pension scheme.

The Annual Allowance does not apply in the year of death or in the year in which all benefits are finally taken from the SSAS.

The Annual Allowance does not include transfers from other pension arrangements. They have already qualified for tax relief when the contributions were originally invested in a pension scheme.

Any payments over the Annual Allowance will be taxable at a rate set by HMRC, currently 40%. In some cases you may be able to make larger contributions in a particular tax year. If you think you may be close to, or exceed, the Annual Allowance you should talk to your adviser as this is a complex area.

#### Can tax relief be claimed on what is paid into the SSAS?

Yes; individual contributions can attract tax relief.

- If you are **not earning**, you can pay up to £3,600 gross (i.e. before tax relief) per annum which means you can pay a net contribution (being the amount after adjustment for basic rate tax relief) up to £2,880 and we claim basic tax relief from HMRC and invest it in your plan. (This example is based on 20% basic rate tax.)
- If you are **employed or self-employed**, you pay contributions net of basic rate tax. We claim basic rate tax relief from HMRC and invest it in your plan once received from HMRC – please note this process can take between six and ten weeks.
- If you are a **higher rate taxpayer**, you can claim the extra tax relief through your self-assessment tax return.

Examples of where tax relief may or may not apply are shown below:

If...	Then...
You had no earnings	You could pay £3,600 less the value of basic rate tax relief into a SSAS and basic rate tax relief would be paid into your fund within the SSAS
Your earnings are £50,000	You could pay up to £50,000 gross into a SSAS and the whole contribution would attract tax relief (basic rate tax relief into the scheme and higher rate through the self-assessment tax process)
Your earnings are £50,000 but you want to pay £75,000 into a pension	You could pay up to £50,000 into a SSAS and receive tax relief – the extra £25,000 would not receive tax relief and you should tell us about the contribution that will not qualify for tax relief to comply with the terms of the declaration you complete on joining the SSAS. (HMRC will tell us in any event once they process your income tax records). Alternatively part or all the payment could be made into the SSAS on your behalf by your employer and that payment would be treated as a business expense

Please note the above examples are purely to illustrate how tax relief is generally applied – each case is treated on its own merits and is not necessarily guaranteed to receive tax relief.

The Government is to limit the amount of higher rate relief available to high earners. From the 6th April 2011, tax relief will be tapered away so that those who earn £150,000 or more, their relief will gradually reduce to the 20% basic rate. In addition, new legislation introduced this year means that there are more restrictions on tax relief where high contributions are made. If you intend to make high contributions to your plan, you should first check out the tax position with your financial adviser.

#### Is there any tax relief on sponsor/employer contributions?

Employer contributions are not taxable as a benefit in kind for you and the employer/sponsor will normally get tax relief on employer contributions as a business expense.

#### What if I am affected by ‘Enhanced Protection’?

‘Enhanced protection’ could affect you if, before 6 April 2006, you had any existing pension plans and they were near to or above the Lifetime Allowance (see later ‘Is there a limit on my plan?’). If this was the case, you may have registered with HMRC for protection against additional tax charges. You could lose this protection if you make payments into any registered pension scheme, including a SSAS.

If you transfer from an existing registered scheme it is possible that some tax free cash protection will be lost from that scheme.

You should check these points with your adviser before making payments into your SSAS.

## Investing in the SSAS

### What can the SSAS invest in?

You, or your advisers if you give them the appropriate authority, can choose from a wide range of investments without attracting tax penalties. Certain investments would result in additional tax penalties so investment must be within a range agreed by the SSAS administrators, Carey Pensions UK.

Investment choices include:

- Bank and Building Society accounts
- UK commercial land or property
- Borrowing
- Insured policies
- Managed funds (including investment trusts, unit trusts and OEICs)
- Quoted and unquoted stocks and shares (including investment in the 'sponsoring' employer as long as the holding is less than 5%)
- Contracts for difference
- Traded endowment policies
- Hedge funds
- Venture capital trusts
- Futures and options
- A loan to the sponsoring employer (this is not allowed with a SIPP)

If there is anything else you would like to invest in, please contact us to see if this will be allowed.

### What investment would attract tax penalties?

Investments that would attract tax penalties, so not allowed for the SSAS, are:

- Residential property or land
- Property such, such as art, antiques, wine, jewellery, classic cars, racehorses etc. – this is referred to by HMRC as 'taxable moveable property' and can be subject to tax charges.

### How are investment decisions made?

The scheme trustees can appoint an investment adviser or you can manage the investments yourself. You (or your adviser) must tell us what investments to make. We will not give you any advice.

You can change your choice of investments whenever you like. Please remember that the investment provider may charge you for this. Also remember that it can take some time to buy or sell certain types of investments, e.g. property.

## Limits

The following section deals with the limits that apply to each individual within the SSAS.

### Is there a limit on my plan?

The maximum you can take from all your pension arrangements without incurring special tax charges is called the Lifetime Allowance (LTA) as detailed below.

Tax Year	Lifetime Allowance (LTA)
2009/10	£1,750,000
2010/11	£1,800,000

You may have to pay tax on the value of the excess over the LTA when you take your benefits. If you already had a pension fund on 5 April 2006 you may have taken steps to avoid this tax charge by applying for 'Enhanced' and/or 'Primary' protection (see the Glossary document for more information on Enhanced and Primary protection); if you think either of these measures apply to your pension, you should speak with your adviser, especially before you pay in money into your SSAS.

Every time you take benefits from the plan, some of your LTA is used up. Checks against the LTA are carried out at various points, including:

- Whenever you use part of the fund for tax-free cash and start income withdrawal and/or pension purchase,
- At age 75 (if funds are still invested in the plan),
- When funds used for income drawdown are used to purchase a pension.

At each of the above stages, an allowance is made for any tests that have already been carried out.

Special tax charges apply to any further benefits once all the LTA is used. Currently the tax charge is 55% where the excess over the LTA is taken as a lump sum or 25% where the excess is taken as pension (because the pension attracts PAYE tax).

## Transfers

### Can transfers be made?

Either the whole scheme can be transferred (in effect new corporate trustees and administrators are appointed by the member trustees) or individual scheme members can transfer their benefits.

As a scheme member, you can transfer part or all of your plan to another Registered Pension Scheme at any time, subject to liquid funds being available. As mentioned previously, where investments are held jointly with other scheme members, the agreement of the other scheme members may be required to dispose of an asset in order to provide the funds for the transfer. This may not be forthcoming or the investment may take some time to sell. Any Protected Rights (see the Glossary for more information) held in the plan must be transferred in their entirety. There are also constraints on the type of scheme to which Protected Rights can be transferred. If you transfer the whole plan, it will come to an end. Any protection you have applied to HMRC for could be lost if you transfer. You should speak to your financial adviser before taking a transfer.

## Taking benefits from the SSAS

### Benefits summary

The table below shows the main options available:

Option	Between age 55 (50 until 5 April 2010) and 75	Over age 75
Tax Free cash lump sum	Up to 25% of your fund can be taken as a tax free lump sum	The ability to apply for the tax free cash sum is lost once you are aged over 75
Use your fund to 'buy' a lifetime or five-year pension income, often referred to as an annuity	An annuity (five year up to age 75 or lifetime) can be purchased, the amount of which will be determined by the value of your pension fund and interest rates (generally speaking lower interest rates mean lower pension) and the type of pension benefits you are buying (e.g. an increasing or level pension and whether any guarantees or dependents benefits are included). If you are in poor health or have a lifestyle that could adversely affect your life expectancy (e.g. heavy smoker), then the annuity income could increase.	An annuity (lifetime) can be purchased, the amount of which will be determined by the value of your pension fund and interest rates (generally speaking lower interest rates mean lower pension) and the type of pension benefits you are buying (e.g. an increasing or level pension and whether any guarantees or dependents benefits are included). If you are in poor health or have a lifestyle that could adversely affect your life expectancy (e.g. heavy smoker), then the annuity income could increase.
Draw a pension income directly from your pension fund, often referred to as income withdrawal or income drawdown	You may withdraw an income within certain limits. The minimum income is zero, meaning you could take the tax free cash sum and then leave the remaining funds invested, or you could take up to the maximum income that is linked to a rate set by the Government Actuary's Department (GAD). The current maximum rate is 120% of the GAD rate.	You may draw an income within certain limits. The minimum income is 55% of the GAD rate and the maximum income is 90% of the GAD rate. This means that if you were drawing an income from your pension before the age of 75 (or simply leaving the funds invested) you would need to review the income you take from age 75 onwards.
A combination of the above	You could take a combination of the benefits described above and you do not have to take benefits all in one go. The way in which you take benefits is flexible and can be structured to meet your individual requirements.	Flexibility is, to a large extent lost beyond the age of 75. However you could continue taking income from your fund initially and then use these funds later to buy a lifetime annuity.
Protected Rights benefits	Until 2012, some extra rules apply to pension funds comprising protected rights. In broad terms, if you wish to buy an annuity with your protected rights fund, where you are married or have a civil partner, a 50% pension must be built in for your spouse or civil partner.	Until 2012, some extra rules apply to pension funds comprising protected rights. In broad terms, if you wish to buy an annuity with your protected rights fund, where you are married or have a civil partner, a 50% pension must be built in for your spouse or civil partner.

### When can I take benefits?

You may take income from your SSAS from age 55 (age 50 if you take benefits before 6 April 2010). You may also take benefits earlier if you suffer illness or an accident which leaves you permanently unable to carry out your current occupation, and you cease that occupation.

You must start to take some income by age 75 at the latest. At age 75, different rules apply to the benefits available. For example, the option to take tax-free cash stops and the entire fund must be used to provide income. The funds are treated differently for tax purposes upon death based whether you die before or after 75 – please see the Death Benefits section below.

### Are pension payments taxable?

A pension or income withdrawal payment is treated as earned income and is taxable through the PAYE system, so we will deduct income tax before payment to you.

**How do I commence taking my pension benefits?**

To claim benefits, you or the person dealing with your affairs should contact your adviser or us at the address later in this document. We will let you know the information we need to pay benefits as quickly as possible. Please remember that you may not be able to convert certain assets, such as property, into cash immediately. This could delay payment of your benefits.

**Death benefits from the SSAS**
**Benefits Summary**

The table below summarises the benefits payable (assuming an annuity has not been purchased).

	Funds not being used for Income Withdrawal	Funds are being used for Income Withdrawal
Can dependant benefits be provided if the total value of the benefits from all the pension arrangements is greater than the LTA described in the 'Limits' section of this document?	Yes – The entire fund is available to provide benefits to a spouse, civil partner or dependent children or other beneficiaries. The dependant pension can either continue as income withdrawal or the fund can be used to buy an annuity for the dependant(s).	Yes – The entire fund is available to provide dependant pension benefits to a spouse, civil partner or dependent children. The dependant pension can either continue as income withdrawal or the fund can be used to buy an annuity for the dependant(s).
Can a lump sum be paid?	Yes – if death occurs before the age of 75 then no tax charge is applied.  From age 75, income withdrawal must be taken (or an annuity purchased) so the rules in the next column will apply for death in drawdown.	Yes – if death occurs before age 75 a 35% tax charge will apply to the lump sum paid.  If death occurs after age 75 a tax free lump sum can only be paid to a nominated charity. (Any other payments attract penal tax penalties).
Can I nominate to whom a lump sum is paid?	Yes, by completing an expression of wish form that records for the trustees of the SIPP your wish as to whom the lump sum should be paid. The lump sum can be paid to individuals or to trustees of a trust, for example a spousal by-pass trust.	Yes, by completing an expression of wish form that records for the trustees of the SIPP your wish as to whom the lump sum should be paid. The lump sum can be paid to individuals or to trustees of a trust, for example a spousal by-pass trust.

Please note in relation to the table above, there are additional constraints on the benefits that can be provided from any Protected Rights funds which in particular, mean that pension income may have to be provided for a surviving spouse, or civil partner.

**How are death benefits claimed?**

To claim death benefits, the person dealing with your affairs should contact your adviser, or us directly, at the address shown later in this document. We will confirm the information we need to pay the benefits as quickly as possible.

It may not be possible to convert certain assets, such as property, into cash immediately. This could delay payment of some benefits.

**Are lump sum death benefits taxable?**

- **Death before age 75:** Any cash benefit paid from funds that were being used for provision of income withdrawal would be taxable at 35%; where funds have not been used to provide benefits through a lump sum and/or provision of income, the cash payment is tax free.
- **Death after age 75:** Tax-free if paid to a nominated charity.

## Other Tax Issues and the SSAS

### Is the SSAS fund taxable?

Pension investment funds do not attract UK taxes on income or capital gains. However, tax cannot be reclaimed on UK and some overseas dividends.

If you die before you start to draw benefits, inheritance tax is not usually payable on any death benefit lump sum. Inheritance tax may arise on any payments made to your estate, depending on your personal circumstances. Inheritance tax may also be payable on death after age 75 in income withdrawal (in the unlikely event of benefits being paid as a lump sum). You should seek professional advice if this is an area of concern to you as this is a complex area.

### Are there any other tax charges?

Any payment which is not allowed by HMRC for tax-relief purposes is called an 'unauthorised payment'. Unauthorised payments include benefits paid in excess of the income withdrawal limits and cash payments in excess of 25% of the fund. Unauthorised payments will result in an additional tax charge of at least 40% or more in some circumstances.

Certain investments will also attract unauthorised tax charges. These investments are referred to as 'taxable moveable property' – examples include antiques, fine wine and art. Investment in residential property and racehorses will attract similar charges. For this reason, we do not allow these types of investment within the SSAS.

## Further information

### Do any cancellation rights apply to the SSAS?

As the SSAS is not regulated by the Financial Services Authority, cancellation rights do not apply to the SSAS. However cancellation rights may apply to some of the investments made by the scheme members through the trustees.

### What if I have a query or complaint?

If you have a query or complaint, please write to us at the address shown later in this document. If you have a complaint we will do all we can to resolve it. Details of our complaint handling process are available on request.

If you are not happy with our response and you wish to take the matter further you can refer it, without giving up any other rights you may have, to any of the following:

- The Pensions Advisory Service Limited, 11 Belgrave Road, London, SW1V 1RB; Telephone number: 0845 601 2923; [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk).

### Where can I find more information?

Our SSAS Terms & Conditions and Brochure provides more information. Ask your adviser for a copy or contact us. Our contact details are provided later in this document. Further information can also be found on our website [www.careypensions.co.uk](http://www.careypensions.co.uk)

### Can I get an illustration of benefits?

At the start of the plan, an illustration giving details of the potential benefits and costs can be supplied on request. If you choose to draw pension benefits directly from your plan, we will automatically supply you with an illustration of these benefits.

## Compensation

Some, but not all, investments held by the SSAS may be covered by the Financial Services Compensation Scheme (FSCS). Eligible investments are covered for 100% of the first £30,000 and 90% of the next £20,000, to a maximum compensation of £48,000. Further information about compensation arrangements is available from the FSCS website at [www.fscs.org.uk](http://www.fscs.org.uk).

## Law

The law of England and Wales will be used to decide any dispute.

We have based this information on our understanding of the law and practice as at August 2009. We make every effort to ensure that this information is helpful, accurate and correct but it may change or may not apply to your personal circumstances. Before taking any action you should always check with an appropriate adviser. We cannot accept responsibility for any action taken on the basis of this information alone as you should also read the Terms and Conditions and the Trust Deed & Rules.

HMRC practice and the law relating to taxation are complex and depend on individual circumstances and changes which cannot be foreseen.

## Terms and conditions

This Key Features document gives a summary of the Carey Small Self Administered Scheme. It does not include all the definitions, exclusions, terms and conditions.

The full contractual terms are set out in the Trust Deed & Rules. If you would like copies of these, or clarification of any of the information provided in this document, please ask your Financial Adviser or contact us at the address shown later in this document.

We have the right to change some of the Terms and Conditions as described in the Terms and Conditions. If we do make changes which affect your plan we will write to you to give you as much advance notice as possible and explain the reasons for any such changes.

## Language

All information and communications will be in English.

## Contacting Carey Pensions UK LLP

The administrator of the Carey SSAS is Carey Pensions UK LLP.

The trustee of the Carey SSAS is Carey Pension Trustees UK Limited.

The address of both is:

43 Shenley Pavilions  
Chalkdell Drive,  
Shenley Wood  
Milton Keynes,  
MK5 6LB

Telephone: 01908 336010

Fax: 01908 506169

[www.careypensions.co.uk](http://www.careypensions.co.uk)

Email: [enquiries@careypensions.co.uk](mailto:enquiries@careypensions.co.uk)

Carey Pensions UK LLP is authorised and regulated by the Financial Services Authority for the establishment, operation and winding up of personal pensions, including SIPPs. The operating of a SSAS is not a FSA regulated activity and therefore our FSA authorisation does not apply to SSAS arrangements.





*Specialist pensions for specialist people*



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