

SSAS update

'Silent night'

December 2022

Our view on recent regulatory and legal developments for trustees of small self-administered pension schemes.

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Technical updates for SSAS trustees

Autumn statement 2022

Fears that the Government would mount a raid, in one form or another, on pension savings at this year's Autumn Statement proved to be misplaced. The speech on 17 November 2022 made only two announcements about pensions, on the Basic State Pension and Pension Credits, neither of which directly impact our trustee readership.

Our viewpoint

Given the current economic climate, it is welcome that the Government has given trustees a 'silent night' ahead of Christmas and have not been tempted to extract more from retirement savings - well, at least, not right now.

1. Lifetime Allowance remains frozen until 2026

While it had been anticipated that the current freeze on the Lifetime Allowance (LTA) might be extended in the Autumn Statement, this was not mentioned. Thus, the LTA remains frozen at £1,073,100 until 2026.

The LTA sets a limit on the value of total pension savings an individual can build up across all schemes before extra tax is payable. Funds are normally tested against the LTA when the individual starts to draw them (or at age 75 if earlier).

For individuals with funds above the LTA, some LTA protections are available from HM Revenue & Customs which may reduce the extra tax payable. Please contact us for further details.

2. Change to the 45% income tax band

From 6 April 2023, the starting point for the 45% income tax band will fall from £150,000 to £125,140 pa (but not in Scotland). Other tax bands remain unchanged.

Our viewpoint

There's a small positive here. Those drawn into the higher rate will enjoy greater tax relief on contributions they make personally into pension schemes.

3. HMRC online services - migration to the "Managing Pension Scheme service"

As reported in our update issued last year, HMRC are migrating to their new Managing Pension Schemes service. The new service is now up and running.

Trustees should now log in to HMRC's website and register with the new Managing Pension Schemes service. Please contact us for any assistance required. They can do so online [here](#). Please contact us for any assistance required.

HMRC intend to delete any "old" records on their Pension Schemes Online service and so whoever had registered, but not logged on recently, will need to reregister.

Clients who established a new SSAS with us in the last year will already be registered with the new service and do not need to take any action.

Our viewpoint

Our experience is that this has not been an easy process for anyone. HMRC's Pension Schemes Online service has never been particularly user friendly and contacting HMRC directly to restore lost log-in details has been frustrating for some.

It is hoped the new Managing Pension Schemes service will be better. It seems that, once logged into the new system, HMRC are asking for further information in order to enable full access to that service. Only once all the questions have been answered will Authorised Practitioners (such as us) gain access via the new service.

We suggest that, if trustees have not yet started the process they do so as soon as possible.



Technical updates for SSAS trustees

4. Stamp Duty Land Tax (SDLT)

We, along with others in the industry, are aware of a few financial firms and solicitors suggesting that SDLT may be reclaimable for some SSASs. Our understanding of their basic argument is that where a property transaction takes place between parties who are the same individuals, such as the directors of the sponsoring employer and the trustees, then no SDLT should be payable.

HMRC have not offered any clarity and industry bodies urge great caution. Both indicate the need for specific legal advice.

Our viewpoint

We echo the urge for caution and legal advice. We are not lawyers, and this is a technical legal area not yet fully tested in the Courts. Articles in the press differ, some suggesting success, more suggesting painful tax charges after legal battles.

Why a 'SSAS' with LCP?



LCP is one of the UK's leading pension consultants. Our top priority is to deliver the right solutions for our clients, whether they are large or small, based on an understanding of their scheme and consulting needs.



We act as professional advisers to our SSAS trustee clients to help guide them with pensions legislation and assist them with the administration of the scheme.



We differ from other SSAS providers as we do not act as a trustee and so are not co-owner of the assets nor co-signatory on the bank accounts. For example, our SSAS clients don't need us to separately authorise payments from the SSAS bank account. This enables our SSAS clients to retain complete control of their SSAS, its cash and investments. Our approach is to get involved only to the extent our clients want us to, allowing them to stay in control, while being proactive when appropriate, such as when legislation changes.



We offer our SSAS clients a personalised service, and pride ourselves on long-standing, successful relationships with our clients - most of whom have been with us for many years.

Regulatory reporting requirements 2021/22

A reminder for all those connected with SSAS of the regulatory reporting requirements.

HM Revenue & Customs (HMRC)

HMRC requires Scheme Administrators to submit reports online. Their deadline for the submission of their reports for the 2021/22 tax year is 31 January 2023. Failure to meet the deadlines will result in automatic fines.

HMRC Scheme Return 2021/22

We are aware that HMRC have issued requests for the completion of their Registered Pension Scheme Return for the 2021/22 tax year.

Whoever has registered with HMRC online as Scheme Administrator should check the scheme's noticeboard on HMRC's website (on the 'old' service) to see whether a notice to complete a return has been received for the 2021/22 tax year and, if it has, arrange its completion. Please let us have a copy of any submitted return in due course.

Where LCP has been appointed as Authorised Practitioner we have already written to those clients with a note of the requirements. Where we have not been so appointed, the Scheme Administrator must check and complete any required submission. We are happy to act as Authorised Practitioner if desired - please contact us for details.

HMRC Event Report 2021/22

In addition to the scheme return, HMRC requires an Event Report to be submitted if certain events occur during each tax year. We have set out opposite some further information on the reportable events to help trustees determine whether or not an Event Report may need to be submitted. If a report is necessary

the Scheme Administrator will need to arrange for its completion. Note that the Event Report now needs to be completed on HMRC's 'new' service and so trustees will need to have registered and completed all the requirements in the new service before they can do so.

If there is any doubt as to whether an event that has occurred, needs to be reported, please let us have details and we will advise accordingly.

Where we are aware that a reportable event has occurred we have already written to clients regarding the next steps that need to be taken to submit the report. If a reportable event has occurred and LCP has been appointed as Authorised Practitioner we can submit the report. Otherwise, the Scheme Administrator must arrange for the submission of the report.

Reportable Events 2021/22

The Regulations set out numerous separate events covering many areas, most of which are unlikely to apply to schemes ordinarily. However, to help the Scheme Administrator determine whether an Event Report may be required, we have summarised opposite the type of events that require reporting.

Generally, the reportable events fall into two main areas: scheme events and member events. Please review the following list of events and if you think any of them may have occurred during the tax year please let us know as a matter of urgency so that we can advise whether it needs to be reported.

Scheme events

- Unauthorised payments¹.
- The purchase or sale of any Taxable Property² (or, if already held, any income received from such property), at any time during the tax year.
- A change in membership between certain bands (ie where the number of members has increased from 1 or above 11 or decreased below 2 or become 0).
- The wind up of the scheme.

Member events

- A member commences receipt of their benefits before normal minimum pension age - normally only possible on ill-health grounds.
- Commencement of benefits (or at age 75, if tested) where the member's funds from all schemes have exceeded the standard Lifetime Allowance and the member has relied on any form of Lifetime Allowance protection.
- A lump sum is paid to a member who has any form of Lifetime Allowance protection.
- A lump sum is paid to a member that represents more than 25% of their share of the fund.
- Lump sum death benefit payments that amount to more than 50% of the Standard Lifetime Allowance that was applicable on the date of the member's death.
- The Trustees are required to issue a 'Pension Savings Statement' (usually when contributions paid in respect of a member exceed the Annual Allowance).

Transfers to Qualifying Recognised Overseas Pension Schemes are reported separately and must be reported within 60 days of the transfer.

¹ An unauthorised payment is a legally defined term and includes, for example, a loan to a scheme member.

² Taxable property is a legally defined term and includes, for example, residential property, works of art etc. If in doubt, please contact us.

Regulatory reporting requirements 2021/22

A reminder for all those connected with SSAS of the regulatory reporting requirements.

The Pensions Regulator's (TPR) scheme return

TPR is a separate government body to HMRC and they request completion of their own scheme return which is different to that requested by HMRC.

TPR requests the completion of their scheme return normally on a rolling three-year basis for schemes with two or more members. Although TPR usually provides trustees with notification of the requirement by post this is not always the case. We suggest that trustees regularly check the TPR's Exchange system (via their [website](#)) to see whether a return is due. TPR aims to give six weeks for the completion of the return and has the power to fine trustees for failing to do so.

As a reminder, TPR now ask trustees to confirm when they last checked the data they hold on their members to ensure it was complete and up to date. This is perhaps more appropriate to larger schemes, but TPR have adopted a blanket approach.

Trustees of SSASs are unlikely to have a problem confirming their 'common data' (generally data about themselves as members), and their "scheme specific data" shouldn't be a problem with the assistance of their professional advisers, providing things like scheme accounts etc are up to date. Whether the data is readily to hand is another matter!

We can assist our clients to meet the requirements by providing scheme and member statements which show the common and scheme specific data we hold with some appropriate commentary. We can also be appointed to complete TPR's scheme return on the trustees behalf if desired. Please contact us for assistance.

Information Commissioners Office (ICO) registration

Trustees should remember to renew their registration with the ICO on an annual basis. The easiest way to do so is to simply pay the renewal via direct debit. Contact us for any assistance.

Any questions?

If you would like any assistance or further information on the contents of this SSAS update, please contact Peter Clarke or Patrick Moriarty or email enquiries@lcp.uk.com.



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