

Case study 1 – Buy to let investor

John is 40 years of age and has some buy to let properties which he manages via a small company.

He wants to buy some more properties but does not want to take out equity from his houses, how can he achieve this via Pension Practitioner.Com ?

John built up with various employers over the years total pension funds valued at £50,000. After taking financial advice he establishes a SSAS and transfers these funds to his Scheme. His business acts as the provider of the Scheme and he is the sole trustee.

All assets are therefore in his name as Trustee, he is also the sole beneficiary. John makes a loan to his business of £25,000 from his SSAS, which is used for a 10% deposit on a property he has purchased at auction. A conventional mortgage is secured on the balance via his Company. Pension Practitioner .Com structures the loan to ensure that it is compatible with all HMRC requirements.

John's business repays the loan back on future sale of one of his properties, together with a commercial rate of interest. This interest and loan is repaid to John's scheme, which can then be used for a future property deal. John is a happy man as he has not needed to resort to the bank for these funds, also his pension scheme gets a good deal on the loan interest too.

Case Study 2—Overseas land owner

Jane and Fred both run a forist business in London. They holiday much of the time in Ireland and some years back purchased a plot of land for £20,000 (euro equivalent). It is now worth £30,000. They may sell it on to developers in years to come but are weary of a big tax bill on the sale. They would like to purchase some other land in Greece, which is their second favourite holiday destination but do not have the cash to do so.



After consulting Pension Practitioner .Com, a SSAS is established and given the combined earnings of Jane and Fred, an in-specie payment of the land is structured as a contribution to the SSAS. Tax relief at 22% is accrued on the payment. Their SSAS therefore receives a payment of £8,461 from HMRC, i.e. ($£38,462 \times 22\% = £8,461$). They pay a contribution net of basic rate tax i.e. £30,000 and that payment is grossed up.

Jane and Fred now use £8,000 as a deposit payment for the purchase of a small parcel of land in Greece via the SSAS. Although a gain was made on the contribution of the land to their SSAS, the gain was within the allowance permitted by the Irish Tax Commissioners. Also given the SSAS's tax status Jane and Fred can apply to the Irish Tax Commissioners for capital gains tax exemption on any future sale.

Case study three - Off plan residential purchase

Joe has seen an off-plan opportunity at Stratford which will be completed in time for the Olympics. He does not want to tie up all his cash in one of the units, which is valued at £300,000 for a two bedroom flat. He believes that it will be worth about £375,000 when it is completed and could be facing a large tax bill on the subsequent sale of it.

His earnings in the current tax year amounts to £60,000 and he has very little pension provision. After speaking with Pension Practitioner .Com a SSAS is established via his business, he is the sole member and trustee.

He makes a contribution to the SSAS of £20,000 but as he is a higher tax payer he can recover £8,000 from HMRC. The contribution was structured to be deducted from gross pay and as such the £20,000 payment only actually costs him £12,000 net.

Following the contribution, the SSAS borrows from him £10,000, it is to be repaid back on commercial arms length terms. The SSAS has now sufficient funds to secure the 10% deposit on the off-plan residential unit. Provided that the SSAS disposes of the unit in accordance with the advice given by Pension Practitioner .Com that unit remains a non taxable investment. This has been a very efficient and cheap form of financing.