



Emily McAlister &lt;emily@retirement.capital&gt;

## Lifetime Allowance Charge

3 messages

**gavin mccloskey** <gavinm@retirement.capital>

9 November 2021 at 23:25

To: Jenny Brown &lt;jbfentonhouse@gmail.com&gt;

Cc: Stephen Brown &lt;stephen@artek-design-house.co.uk&gt;, Emily McAlister &lt;emily@retirement.capital&gt;

Dear Jenny,

Further to my conversation and email correspondence I confirm that having reviewed both your registration and the registration of Stephen's fixed protection status for 2012, and having looked at the registration notice issued by HMRC, I cannot see that either you or Stephen has excess rights in the scheme, which would give rise to an excess payments charge.

This is because you both registered for fixed protection at £1.8 million each and whilst the fund has grown above the threshold, you had both fully crystallised and that growth in excess crystallised rights is taxed as earned income and is not subject (under the current rules) to an excess charge on the drawdown (even though it has increased). You can therefore both draw income as flexi access but subject to income tax at your marginal rates.

I will have to look a little closer at some of the valuations at certain dates that the lump sums were taken but from my enquiries, there is no excess charge applying. There may be a tax test in later years but it does not apply at present. We touched on additional funds from the scheme to complete certain works at the property, and this could be explored via a scheme loan to the Company, and a credit via the directors loan account for Artek Design. I am happy to explore some of this option with Stephen if it assists your cashflow and tax position in the current year.

Kind regards

Gavin

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# Retirement .Capital

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**Stephen Brown** <stephen@artek-design-house.co.uk>

10 November 2021 at 09:13

To: gavin mccloskey &lt;gavinm@retirement.capital&gt;, Jenny Brown &lt;jbfentonhouse@gmail.com&gt;

Cc: Emily McAlister &lt;emily@retirement.capital&gt;

Hi

Thanks for this. I don't want to get into lending one of the companies money just yet. We may do in the future if we ever need to buy commercial property out side of the SSAS but its not something we need to do in the foreseeable future.

Artek has about £100k sitting in it and we intend to leave it there for the time being. It doesn't need financial support from the SSAS.

We have the £3.6m life time allowance in place, we have drawn down about £1m and currently have about £3.8m within the SSAS.

The need for large drawings has passed and we are now in effect between projects on the house. The first phase isn't complete but the builders have run off and in any event we are about £20k short of completing phase 1. Phase 2 will come from the proceeds of Topcliffe Way when sold probably next year.

The sale of that house should net us about £900k which is in effect tax free money. This should give us £400k - £500k to spend on the house and about ten years of minimal tax to pay. We can sort the detail out when the time arrives. We have a mortgage on Fenton House which may or may not get paid off at that time also but there is a significant advantage in retaining it.

If you have any queries lets speak on the phone

Kind regards

Stephen

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**From:** gavin mccloskey <gavinm@retirement.capital>  
**Sent:** 09 November 2021 22:25  
**To:** Jenny Brown <jbfentonhouse@gmail.com>  
**Cc:** Stephen Brown <stephen@artek-design-house.co.uk>; Emily McAlister <emily@retirement.capital>  
**Subject:** Lifetime Allowance Charge

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Kind regards

Gavin

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[Redacted]

[Redacted]

[Quoted text hidden]

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**gavin mccloskey** <gavinm@retirement.capital>

10 November 2021 at 11:15

To: Stephen Brown <stephen@artek-design-house.co.uk>

Cc: Jenny Brown <jbfentonhouse@gmail.com>, Emily McAlister <emily@retirement.capital>

Stephen, tks for the clarification. I will update our files with these notes.

Tks

Gavin

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