



Stacy Lunnon <stacyl@pensionpractitioner.com>

Tookman SSAS - possible in specie contribution of property

6 messages

Stacy Lunnon <stacyl@pensionpractitioner.com>
To: Tony McCartney <tonym@pensionpractitioner.com>

9 March 2018 at 13:08

Morning Tony,

I had a quick chat to Gav about this query, but would really appreciate your input before I speak to the client from a technical "how to" point of view...

Two of the members, Oliver and Paul are looking to in-specie a property (approx. £250k value)

My brain is not working today, so I'm just going to make a couple of notes on my call with Oliver first:
unencumbered property that trading business trades from
tax relief using "carry forward"
company has paid corporation tax
can he use company and employee contributions?
2 or the 3 members are partners

Chat with gavin:

relief can only be claimed in the current year (not carry forward)
a partial in-specie can be made for both partners prior to 5 april and then just after, allowing
contribution of 80k each
land registry change of ownership can cover both contribution amounts, pre and post 5 april
partnership drawings of at least 40k gross in each tax year
possibility of bringing in spouses?
"HMRC have recently dis-allowed a lot of tax reliefs on in-specie contributions and so there is a lot of
work involved, it has to be done in a particular day"

I've put together the following to email the client, but want to run it by you and also if you could give me
the low-down on how the relief is "physically" rebated as I know this is something the client wants
explained;

*The in-specie contribution of a property can be put in place. There are a few finer details that I am
currently checking into, but basically the following would be the general idea;*

*Carry forward cannot be used, and the contribution would be classed as a personal contribution (due to
partnership status on the company owning the property)*

*Even though you would not have the carry forward option, you and your business partner can make a
partial in-specie contributions before 05 April and then another part after, maximum £40k in each tax
year. The land registry title deed will be updated to reflect the ownership percentages.*

*Partnership drawings will need to be at least £40k gross in each tax year for which a contribution will
be used.*

*HMRC has recently dis-allowed a lot of tax reliefs of in-specie contributions and so there will be quiet a
lot of work involved as this will have to be done in a particular way.*

*I am still checking into a couple of bits regarding the tax relief and how this will work, i.e. the rebate, but
I should be able to have a chat with you early next week once I have clarified a few things. I will give
you a ring next week, let me know if you have any day or time that suits better.*

I know this is another essay, but take your time with coming back to me, have a cuppa and a biscuit... It
is Friday after all...

Kind regards,
Stacy Lunnon

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Tony McCarthy <tonym@pensionpractitioner.com>
To: Stacy Lunnon <stacyl@pensionpractitioner.com>

9 March 2018 at 14:30

Hiho

In theory, the Scheme would have to be registered for 'relief at source' with the basic rate tax relief claimed back by us. This does mean that, say, £32k-worth of property is contributed, with us claiming the £8k difference and HMRC paying that to the Scheme (contributing £40k as property and claiming tax relief would obviously blow their annual allowance out of the water...). If the clients are higher-rate tax payers, then higher-rate tax relief will have to be claimed back by them on their self-assessment.

This means completing forms APSS103, and APSS103A (along with authorising resolution to authorise us to claim on their behalf) to register the Scheme, then completing APSS105 (for an interim relief payment) or APSS106 (which has to be done yearly anyway) to claim the relief. HMRC should then, theoretically, pay the relief into the Scheme's bank.

And, yes, HMRC have gone after in specie contributions, and it seems a bit vague as to whether this is process-driven (ie, improper declaration of debt, dodgy valuations, etc etc) or something more fundamental than that (they've decided that they just don't like non-cash contributions). But since you now have to specify on forms APSS105/6 whether the tax relief is due to a cash contribution or a transfer of assets in lieu of a cash contribution, it is an easy matter for them to decide to enquire further.

Cheers,

Tony

[Quoted text hidden]

Tony McCarthy <tonym@pensionpractitioner.com>
To: Stacy Lunnon <stacyl@pensionpractitioner.com>

9 March 2018 at 14:35

Eep - email itself looks fine. Mebbe just stress that actually claiming the tax relief back may, as a result of HMRC being special snowflakes, take some time to process once the claim has been submitted.

[Quoted text hidden]

Stacy Lunnon <stacyl@pensionpractitioner.com>
To: Tony McCarthy <tonym@pensionpractitioner.com>

9 March 2018 at 15:59

Hi Tony,

Thank you, that clarifies the tax "reclaim" bit for me which does sound a bit complicated, therefore will factor in our expense for this! (it would be us completing APSS forms etc, right?)

Kind regards,
Stacy Lunnon

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Tony McCarthy <tonym@pensionpractitioner.com>
To: Stacy Lunnon <stacyl@pensionpractitioner.com>

9 March 2018 at 16:34

Hiho

Ok, since it appears that we are Practitioner only on this, and Robert Goddard Limited are the Administrators, it'll be Robert Goddard Limited that would have to fill out the APSS103, submitting this along with APSS103a (which is, essentially, an 'authorised signature list') together with a board resolution authorising these signatories. It will be up to them to decide whether they want to organise this themselves, complete it and get us to check it, or get us to complete and send to them for checking, signing and submission.

I did forget to mention that, every year, an additional document - RPSRAS (Annual Information Return) also has to be submitted by July of the following tax year. This is submitted via an excel spreadsheet and just asks for confirmation of member details, contributions, fund values, etc of the Scheme's members. This will probably fall on us to complete before getting them to confirm and submit.

None of this is particularly difficult, taken in isolation. It is just, combined, quite a lot of administrative work to pile through, with reminders set to ensure that the relevant forms/spreadsheets are submitted in a timely manner, etc etc. And one reason why I detest personal contributions!

Cheers,

Tony

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Tony McCarthy <tonym@pensionpractitioner.com>
To: Stacy Lunnon <stacyl@pensionpractitioner.com>

9 March 2018 at 16:44

Figured I'd send you the various forms related to relief at source, which may well cause you to give up and consider a career change (really, there is no need to thank me!). Gives you an idea of the paperwork involved, at any rate.

First up. APSS103

<https://www.gov.uk/government/publications/pension-schemes-relief-at-source-details-apss-103> - this has to be done online

APSS103a - signatory list (needs to be submitted with a board resolution authorising this)
APSS105 - to claim any interim tax relief should this prove necessary
APSS106 - end-of-year claim
RASRPS spreadsheet - yearly submission


----- Forwarded message -----

From: **Tony McCarthy** <tonym@pensionpractitioner.com>


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4 attachments

 **RPSRAS_Template_v2.0.xls**
5322K

 **apss103a.pdf**
63K

 **APSS105_Registered_pension_schemes_relief_at_source_interim_claim.pdf**
209K

 **APSS106_02_16.pdf**
184K