

Protect assets with good pension planning

BUSINESSES suffering from the economic downturn should look at utilising pensions to protect business assets according to a leading pension specialist.

David Bradbury, head of the SIPP/SSAS division at Taylor Patterson, the Preston and Sheffield based financial services group, is reminding businesses that with proper planning, business premises, can be put into SIPP (Self Invested Personal Pensions) and SSAS (Small Self Administered Scheme) arrangements.

This can effectively protect the premises from future financial problems the business may find itself in – something many business owners should be preparing for if they believe the current economic crisis will have a significant adverse effect on their business.

Assets in SIPP and SSAS arrangements are normally protected against creditors provided the premises are placed in a pension arrangement when the business is solvent. It is possible to sell business premises to SIPP and SSAS, and this will have the threefold benefit of potentially ring-fencing premises, providing cash in the business and building a healthy retirement fund for the proprietors.

David Bradbury said: “Many business proprietors are unaware of the option to put their pension fund to good use by using it to invest in commercial property and, importantly, their own property - which can then be leased back to the business.

“Both SIPP and SSAS can invest in property in this way, and they are a first rate vehicle for adding an extra level of protection to a business in these difficult times.

“There are several tax benefits to investing in property using a SIPP or SSAS, for example no liability for capital gains tax when it is sold, and the rent accumulates tax free and can be tax deductible in the business.”