

THE TAYLOR PATTERSON GROUP SIPP

Changes in HMRC regulations on 6th April 2006 reduced significantly the amount a SIPP can borrow thus restricting the amount of finance an individual can raise through a personal pension arrangement to purchase property. As a result, many self-employed businessmen now consider pooling their pension resources with their business partners as a “group” to buy property to lease back to their business.

The Taylor Patterson Group SIPP is an individually registered pension scheme. It is the personal pension plan equivalent of a Small Self-Administered Scheme and therefore is particularly suitable for professional practitioners and other business partners to purchase commercial property as the legal and other costs of purchasing a property through a pension scheme and raising a mortgage are significantly reduced. As the Group SIPP is a stand-alone arrangement, there is not the expense and complexity of having cumbersome a tenancy in common agreement and a bank loan for each member that is a feature of other Group SIPP arrangements. Also, the ongoing administration costs will be less and is also simpler and less costly to “reallocate” the shares in the property should one member wish to dispose of all or part of his share to other members.

Although, the principal attraction of the Group SIPP is the facility to pool resources for property purchase, members can also invest other funds on their own account.

In addition to all the tax benefits of a conventional SIPP the Taylor Patterson Group SIPP provides the following Key Features:

- Taylor Patterson Associates Ltd is the SIPP Provider and Scheme Administrator and Taylor Patterson Trustees Ltd is the Professional Trustee.
- The SIPP is an individual HMRC Registered Pension Scheme.
- Each SIPP is governed by its own Deed and Rules.
- There is no limit on the number of members subject to there being at least two.
- Up to three Members are appointed trustees and therefore have control of the scheme assets together with Taylor Patterson Trustees Ltd, the Professional Trustee.
- Members can transfer their pension benefits and make contributions to the SIPP.
- Total flexibility as to when contributions are made and, subject to limits on tax relief, how much.
- In Specie contributions are accepted.
- Each member has his own “account” within the SIPP.
- Commercial property can be bought and leased back to a business or to a third party as an investment.
- Property owned by the members can be acquired by the trustees.

- The Trustees can borrow to assist in investment particularly to buy commercial property.
- Property and related loans are held for the members' accounts in the ratio of each member's contribution to the cost and expenses of purchase.
- "Pooled" assets can be easily be reallocated between members.
- Members can act as Property Mangers
- Considerable flexibility as to how and when benefits are taken. The SIPP offers a range of pension options including Scheme Pensions and it may be possible to reallocate funds among scheme members to mitigate the tax charge that that will be payable on the death of a member after age 75.

Note: In its capacity of Trustee and Administrator of the SIPP, Taylor Patterson does not give advice on the merits or otherwise of transferring benefits from other pension arrangements and will only deal with such transfers on an execution only basis. The member is recommended to take advice from an independent financial adviser on such matters.

Group SIPP Scale of Charges

Fees for the provision of Services as Professional Trustee and Scheme Administrator Effective from 1st July 2009

Establishment Fee

▪ Establishment of new Scheme	£	450
Plus per member	£	100

Basic Annual Fee

▪ Professional Trustee and Scheme Administrator Services	£	900
Plus per member per annum	£	150
▪ Trustees Bank Account with Cater Allen Bank	£	No Charge

See Property Fees for annual fees related to property

Property Fees

▪ Purchase:	Taylor Patterson panel solicitor instructed	£	650
	Trustees' own solicitor instructed	£	900
▪ Purchase of property in joint names		£	400
▪ Sale:	To third party	£	350
	To connected party	£	500
▪ Mortgage set up		£	250
▪ New lease/renewal		£	200
▪ Property development		£	up to 1% of cost
▪ Mortgage administration per annum		£	100
▪ Annual:	Member appointed property manager per property	£	175
	Member not appointed property manager	£	by agreement
▪ Variation of lease		£	200
▪ Rent Review		£	100
▪ Tenant going into liquidation or administration		£	200
▪ VAT Registration		£	175
▪ VAT Administration:	Monthly returns, per annum	£	480
	Quarterly returns, per annum	£	160
▪ VAT transaction treated as "Transfer of a Going Concern"		£	175
▪ Option to tax, per property		£	75

▪ De-registration of scheme for VAT	£	150
<i>Change of Scheme Structure</i>		
• Admission of new member to Scheme	£	350
• Appointment of Member as a Trustee	£	100
▪ Retirement of Trustee	£	250
▪ Change of Scheme name	£	200
▪ Transfer of Member's benefits to another registered pension scheme per transfer	£	300
▪ Responding to HMRC Pension Schemes Services Office's queries arising from an in-depth review of scheme, minimum	£	350
▪ Winding Scheme up	£	500
▪ Termination of appointment of Taylor Patterson	£	750
<i>Contributions and Transfers</i>		
▪ Inward Transfer payments, per transaction		
- Arranged by member's IFA	£	Nil
- Arranged by Taylor Patterson – execution only – see note below	£	75
▪ Contributions, establishment of banker's order	£	35
▪ Contributions made by cheque or BACS, per transaction	£	30
▪ In specie transfers in lieu of contributions		
- Property as per property fee scale plus	£	250
- Market investments including AIM shares	£	200
▪ Transfers in of Protected Rights	£	200
<i>Investment Transactions</i>		
▪ Purchase or sale of unquoted shares, shares in unconnected companies	£	min 200
▪ Purchase of investment, other than property, from a connected party	£	150
▪ Investments held under an investment management agreement in nominee names, per account per annum	£	50
▪ Investments managed personally by Trustees, per transaction	£	30
<i>Benefits</i>		
▪ Securing benefits by electing for a Scheme Pension	£	375
▪ Benefit crystallisation event	£	375
▪ Setting up payment of benefits under PAYE	£	250
▪ Regular payment of benefits under PAYE, per annum	£	180
▪ "Ad hoc" benefits illustration	£	75

▪ Changes to the frequency or amount of pension payments, each pension year,	first change	£	No Charge
	Subsequent changes	£	175
▪ Pension benefit review		£	175
▪ Actuarial services from actuary selected by Taylor Patterson to determine Scheme Pension		£	time cost basis
▪ Purchase of lifetime annuity		£	375

Taxation and Accountancy

▪ Reclaim of income tax on investment income – per claim		£	min 50
		£	max 150
▪ Provision of accounts if required to audit standard plus £75 p.h. for work over 5 hours		£	375
▪ Completion and submission online of HMRC Registered Pension Scheme Return where required, per member		£	75
▪ Provision of copy deeds and documents e.g. governing deeds, property leases etc.		£	min 15
		£	max 50

For any other work of a non-standard or non-routine nature not included in the above scale, a charge may be made, normally on a time cost basis.

All charges are subject to VAT and are subject to increases, at the discretion of Taylor Patterson, by reference to the annual increase in the Average Earnings Index published for January each year. Taylor Patterson reserves the right to amend its scale of charges at any time.

Payment of Fees

All charges will be debited to the SIPP bank account, within 21 days after the invoice date.

Should there be insufficient funds in the bank account after paying other outgoings, such as mortgage payments and benefits, Taylor Patterson reserves the right to charge interest on the invoiced amount at 5% or 3% over Barclays Bank PLC base lending rate whichever is the higher until the bank account has sufficient funds.

All annual fees are payable in advance.

Note: In its capacity as Trustee and Administrator of the pension arrangement, Taylor Patterson does not give advice on the merits or otherwise of establishing a scheme and/or transferring benefits from other pension arrangements and will only deal with such transfers on an execution only basis.

Members are recommended to take advice from an Independent Financial Adviser on such matters.

Taylor Patterson Trustees Ltd is the Principal Trustee of the Taylor Patterson SIPP. Taylor Patterson Associates Ltd is the Provider, Operator and Administrator of the Taylor Patterson SIPP and is authorised and regulated by the Financial Services Authority. Neither company in any of those capacities advises on regulated products

Lanson House, Winckley Gardens, Mount Street, Preston, PR1 8RY. Tel: 01772 555073, Fax: 01772 203688

E-mail: sipps-ssas@taypat.co.uk Website: www.taypat.co.uk/sipps