



POOLING PENSIONS TO BOOST BUSINESS AND RETIRMENT

A Pooled SIPP may be a niche wrapper but it is one which can offer IFAs some additional business. More and more groups of individuals are looking to either finance their retirement to match their lifestyle or to invest in their company to take it to the next level. The Pooling of assets could therefore be an ideal opportunity to create economies of scale and investment opportunities.



An individual can combine their pension arrangements under their own personal SIPP Scheme. However, with a family or a group of connected or like-minded individuals, such as business associates, pooling can provide opportunities and advantages normally out of the reach of an individual SIPP investor.

Who can benefit?

Families can benefit from a Pooled SIPP with retirement and generation planning. Minors, including grandchildren, can also participate as long as the parent or legal guardian signs on their behalf within the Scheme.



The Pooling of assets may also help business partners such as solicitors, accountants, architects, doctors and dentists to simplify the succession planning. This can include the exit of a retiring partner and the inclusion of a new business associate.

Other benefits?



Groups can combine together in a single pension arrangement and make large investments, such as in commercial property, which could be out of reach on an individual basis. Spreading a commercial property purchase across multiple individual SIPPs can prove an administrative strain. In contrast, a Pooled SIPP offers administrative simplicity with one scheme owning the property. Also, it can negate the need for borrowing or indeed create a greater borrowing capacity within HM Revenue & Customs regulations.

At the same time, it offers greater investment flexibility and potentially lower fund charges. Liquid assets within the Pooled SIPP can be earmarked or used to fund lever transfer values, retirement and death benefits whilst other members' share of the fund can remain in the form of the property or other investment.

What investments are possible?

A Pooled SIPP has access to the full range of HMRC permitted investments, allowing IFAs and scheme members the chance to build a diverse portfolio of core and specialist holdings within a retirement planning portfolio. Further access is available to capped and flexible drawdown together with open market annuity options.

City Trustees is a specialist pension provider, focused on the fully bespoke self-invested pension market, distributing its products exclusively via independent financial advisers. City Trustees operates a free technical helpline for IFAs to help support with pension challenges.

Tel: 0116 240 8731 or email: technicalhelp@citytrustees.co.uk today.