



NEWCOURT

YOUR SELF INVESTED PENSION PROVIDER

SMALL SELF-ADMINISTERED PENSION SCHEME (SSAPS)

Small Self-Administered Pension Schemes

Newcourt Pensioneer Trustees Limited



Who are Newcourt?

Newcourt Pensioneer Trustees Limited (Newcourt) was established in 1989. Newcourt is approved as a Pensioneer Trustee by the Office of the Revenue Commissioners providing Corporate and Pensioneer Trustee Services. The Company is also an approved Registered Administrator with the Pensions Authority.

Newcourt Retirement Fund Managers Limited (NRFM) is an associate Company, which commenced trading in 2007. It is approved under Markets in Financial Instruments Directive (MiFID) and acts as a Qualifying Fund Manager for Approved (Minimum) Retirement Funds (A(M)RF). NRFM also has an approved Personal Retirement Bond (PRB) contract and is an approved Personal Retirement Savings Account (PRSA) provider.

We are one of a small number of providers in the market to offer the full suite of self invested pension structures.

Small Self-Administered Pension Schemes (SSAPS)

A SSAPS is a company sponsored Pension Scheme approved by the Revenue Commissioners, where the member decides how the funds are to be invested. In general, investments are made outside the insurance companies but not exclusively. The vast majority of SSAPS are established in respect of company directors and/or key employees.

By establishing a Small Self-Administered Pension Scheme (SSAPS) the member retains control of the funds in his/her own Scheme and is offered the widest possible choice of investment types available in the Irish Market. Our clients can avail of all allowable investment options through their SSAPS once they are permitted by Revenue and comply with current legislation. The Revenue Commissioners require that a Pensioneer Trustee be appointed to operate such schemes.

Why Self-Administered?

Self Invested Pension arrangements are popular for many different reasons:

- Flexibility: They offer clients the broadest range of investments available.
- Transparency: Fees and charges are clear with clients receiving a bill for the annual charges applicable to their contract. There are no entry or exit penalties with these contracts.
- Control: Clients retain control of their pension investments and are a signatory on all transactions.
- Portability: The ease with which you can move from one product to another or one provider to another is very important for certain clients holding certain assets e.g. in specie transfer of assets from SSAPS to an A(M)RF on retirement.

Setting up an SSAPS

The process of setting up this arrangement will require the services of a Pensioneer Trustee.

A Pensioneer Trustee is an individual or corporate body authorised by Large Cases Division, Financial Services (Pensions) of the Revenue Commissioners, to act as a Professional Trustee of Small Self Administered Pension Schemes.

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The Pensioneer Trustee's Role:

- (i) The Pensioneer Trustee has an obligation to the Revenue Commissioners to ensure that each Scheme is run in accordance with Revenue Rules and Guidelines and that each Scheme is regularly monitored to prevent any breach of the rules.
- (ii) The Pensioneer Trustee has an obligation to advise the client on the legal and technical aspects of pensions, to advise on the level of funding allowable and to keep the client aware of any significant legislative changes affecting pensions. The Pensioneer Trustee does not provide investment advice.
- (iii) The Pensioneer Trustee must monitor the funding on an on going basis to ensure that all contributions to the SSAPS are within funding limits.

Newcourt provides a comprehensive service to all our clients. Newcourt will draft the initial scheme Trust Deed & Rules, make any Revenue submissions, organise bank accounts, arrange and process the transfer of funds and additional administrative requirements.

Under current legislation all SSAPS require a Registered Administrator. Newcourt is an approved Registered Administrator with the Pensions Authority and as such satisfy this requirement for our clients.

Services Provided by Newcourt

- SSAPS Set Up & Revenue Approval Application
- Underlying Investment Set Up
- Adhoc SSAPS Valuations
- Preparation of Pension Scheme Accounts and submission to the Revenue Commissioners
- Scheme Funding Calculations – Ongoing & Maximum Allowable Contributions
- Registered Administrator duties as required by the Pensions Authority

Level of Contributions

The amount you can contribute or which can be contributed on your behalf by your employer largely depends on your age and salary. The percentage of salary which can be contributed comprises of both employer and member contributions. The member may contribute (within certain limits) to the scheme and obtain tax relief personally.

The difference in the level of funding allowable for Occupational Pensions compared to Personal Pensions can give rise to confusion. Funding limits for Personal Pension contributions including PRSAs are **earnings** based, not **benefit** based, therefore the restrictions on funding are much greater. Newcourt will on request provide you with the maximum level of funding permitted by Revenue based on your personal data.

All pension contributions paid into a SSAPS are tax deductible, provided they are within Revenue funding limits, as advised by your appointed Pensioneer Trustee.

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What can I invest in?

- Deposit Accounts
- Direct property investment (residential or commercial)
- Choice of discretionary fund managers
- Choice of international investment managers
- Stockbroking firms
- Multiple Investment Platforms
- Full suite of Insurers investment funds
- Private equity and limited loan note investment

Newcourt provide an open investment architecture, with no conflict of interest. Newcourt do not provide Investment Advice, all Investment Advice must be provided by your appointed Professional Advisor.

All rental income and investment growth arising from SSAPS investments held in Ireland and the U.K. are exempt from income tax. In addition all capital growth in the SSAPS is exempt from capital gains tax in Ireland and the U.K.

Restrictions on Investments

There are certain restrictions on pension investments and these are regulated by the Revenue Commissioners and current pension legislation. All investments must be at arms length and be for the sole purpose of providing relevant benefits at retirement. Newcourt advises all our clients in this regard on an on going basis.

Please see Revenue Pensions Manual for further information.

www.revenue.ie/en/about/foi/s16/pensions/chapter-19.pdf

Revenue Requirements for Pension Lending

Borrowing for Scheme investment is permitted but the maximum allowable term of the loan is 15 years or the Normal Retirement Age of the scheme (if earlier) and repayments must comprise of both capital and interest repayments. Interest only loans are not allowed. All such loans must be non-recourse to the SSAPS member and must be secured on the individual property being mortgaged. The Revenue do not allow any cross securitisation of any asset.

Benefits on Death

In the event of your untimely death a lump sum of up to 4 times your salary, plus a refund of the member's personal contributions can be paid to your estate tax free, an annual income for dependents will be purchased with any surplus monies in the fund.

Retirement Options

Eligibility for the options set out here will depend on each member's particular circumstances.

On your selected retirement date, which must be between age 60 and 70 years*, you can choose to take a lump sum of up to 25% of your accumulated fund or 1.5 times your final salary subject to certain restrictions.

(*In certain circumstances you may retire from age 50.)

Amount	Rate of Tax
Up to €200,000 (inclusive of any tax-free lump sum paid since 07/12/2005)	Exempt
Next €300,000	Standard rate (currently 20%)
€500,001 +	Marginal rate – taxed under PAYE system, plus PRSI and USC

The Standard Fund Threshold is currently €2 million, in certain circumstances you may have a Personal Fund Threshold, which will allow you a fund in excess of €2 million however any lump sum that can be drawn down is still restricted as per table above.

With the balance of your fund, you will have a number of options:

1. Invest in an ARF/AMRF

If you have taken 25% lump sum (see above), you may wish to transfer the remainder of your fund to an ARF which allows you to draw regular income from your investment. However, if you do not have a guaranteed income for life of €12,700 p.a. or more you are obliged to use €63,500 to invest in an Approved Minimum Retirement Fund (AMRF) until age 75 or purchase an annuity.

2. Purchase an Annuity

Alternatively you can opt to take a maximum lump sum of up to 1.5 times your final Salary (subject to Revenue Rules & Guidelines). The remainder of your fund must then be used to purchase an annuity with a life assurance company payable for the rest of your life. This option is not exercised by the majority of SSAPS members, given the nature of the investments available.

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Additional Services Provided by Newcourt

- Independent Corporate Trustee Services for all Pension Schemes including Group Death in Service Schemes
- Administration Services for Self Invested Personal Pensions
- Pensioneer Trustee Services for Small & Large Self Administered Pension Schemes
- Registered Administrator Services for Self Administered Pension Schemes
- Pension Consultancy Services
- Pension Adjustment Order reviews

Newcourt Retirement Fund Managers Limited

is a related company regulated by the Central Bank and provides the following pension arrangements:

- Self Invested Personal Retirement Savings Account
- Self Administered Approved Retirement Funds
- Self Administered Personal Retirement Bonds
- Qualifying Recognised Overseas Pension Scheme Provider (QROPS)

For additional information on our services please contact:

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While great care has been taken in preparation, this document is of a general nature and should not be relied on in relation to specific issues without taking financial, tax or other professional advice. If there is any conflict between this brochure and the Trust Deeds and Rules, the conditions in the Trust Deeds and Rules will apply.

Errors and omissions excepted – 05/2017



Newcourt Pensioner Trustees Limited

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Newcourt Pensioner Trustees Limited is approved as a Pensioner Trustee by the Office of the Revenue Commissioners
and a Registered Administrator by the Pensions Authority.

CRO No. 251030. A private company limited by shares and having a share capital.
Directors: Gerard Keane, Mark Keane and Danny McGill. VAT Number: IE 8251030 G