

Your guide to:
Specialist Business Tax Planning
for business owners

Brought to you by TLPI



Introduction

Why do you need specialist tax planning?

For small, unambitious companies, a more generic tax service is probably enough. However, the situation is not as one-dimensional for successful company directors who are concerned about their excessive tax liabilities. Complex tax issues require specialised and bespoke strategies, tailored specifically to your business.

As a company director, flexibility and control are imperative in many areas of your business. To enable business entrepreneurs to align their pension with their business, the government created the Small Self-Administered Scheme (SSAS), which allows company directors to take control of their pension funds and use them to invest at their own discretion. This can be in anything traditional pensions can invest in, plus much more, including your loans to your company for any valid business purpose, third-party loans, property, property developer investment and more.

Consolidating your current pensions has many benefits, such as saving tax, increasing your investment funds and choices, the opportunity to reduce costs and charges, and making your pensions far easier to monitor. With more control over your pension, the funds can be used for business and investment purposes, in line with strategy and goals.



A SSAS can have up to 11 company or family members, all of whom are permitted to transfer their own pension funds into the scheme. Combining and pooling pensions builds the pot and increases investment power and choice.



The SSAS enjoys all the same tax advantages as a traditional pension, plus much more. For business, personally and as a family legacy, the SSAS is a game-changer.



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Advantages of the SSAS Pension

- Loan to your company from your SSAS
- Loan to a 3rd party from your SSAS
- Consolidate pensions
- Pool pensions and funds with others
- Buy commercial property
- Invest indirectly in property (property loans, property development investment, loan to your company for property purchase etc)
- Build your legacy
- Reduce pension charges
- No income tax is payable on allowable investments
- Property development investment
- A tax-free lump sum upon retirement
- Contributions, both business and personal, are tax deductible
- Multiple members can join the scheme
- Invest in all the same investments a traditional pension can and more

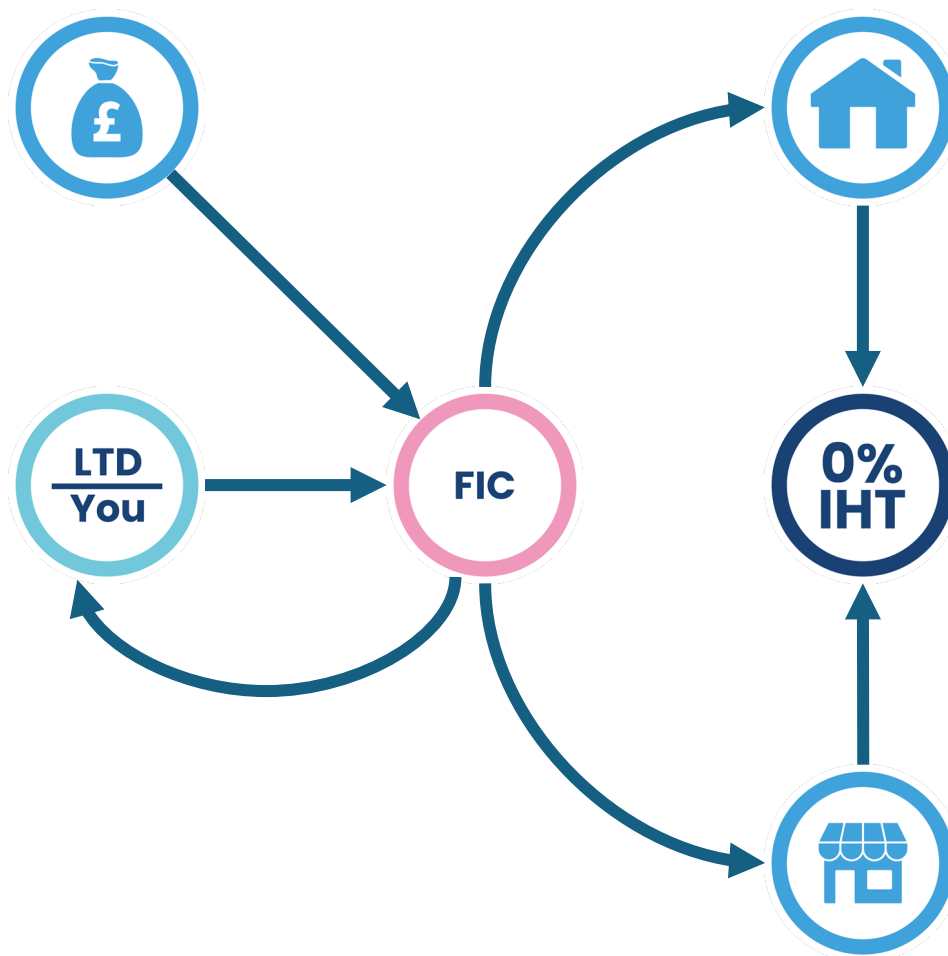
How are SSAS Pensions regulated?

Unlike traditional pensions, the SSAS is not regulated by the Financial Conduct Authority (FCA). This is because it is a corporate pension and not a personal pension. Therefore, the SSAS is regulated by The Pensions Regulator and all SSAS schemes must be registered with HMRC and abide by HMRC rules. As long as a SSAS scheme abides by HMRC rules, it is afforded all the advantages of a traditional pension, plus additional benefits, and unique flexibility.



The Family Investment Company

Another flexible and innovative structure available to company directors is the Family Investment Company (FIC). A FIC provides a powerful structure for tax-efficient investing, asset protection, as well as ensuring smooth succession and inheritance planning. It takes the form of a private limited company, set up with different rules applied to ensure the company invests rather than trades.



Cash can be transferred to, and held, within a Family Investment Company. Any profits that are made are then liable for Corporation Tax, as opposed to Capital Gains or Income Tax, as would otherwise be the case. This alone, creates significant tax savings when compared with those of the individual.



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Inheritance advantages

For business owners, the Family Investment Company is a more appealing alternative to a traditional trust arrangement, providing extensive flexibility and Inheritance Tax benefits. It is a tax-efficient way to protect wealth, hold assets and company shares, and pass them down through the generations. It also simplifies succession.

Using a FIC to invest in property

A Family Investment Company is ideal for those looking at growing or starting to build a property portfolio, for example Buy-to-Let properties, or those looking to hold property within a tax-efficient strategy.

Already an investment company by name, by creating a corporate structure such as the Family Investment Company, business owners and their families can take advantage of property market growth alongside tax benefits offered by a Family Investment Company. This can also be coupled with a Small Self-Administered Scheme (SSAS) to further achieve tax-efficiency, investment potential and flexibility. As mentioned, as company director you still retain control of assets, but they are in trust and outside of your estate should the worst happen, saving Inheritance Tax for your family.



The Lifetime Business Tax Plan



By combining the SSAS with the Family Investment Company as a Lifetime Business Tax Plan, formidable strategies can be created to mitigate tax, protect wealth, invest in property, grow the business, facilitate streamlined succession plans, create your desired retirement goals, all within a secure and ring-fenced 360-degree environment. This elevated plan gives ultimate control to business owners and families, and the flexibility to ensure that wealth is protected and continues to grow for generations to come.



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Dispelling the myths

Time consuming: **FALSE**

Setting up the right tax plan is not time consuming, with the right support. A tax plan often saves time by consolidating pensions, aligning strategies and facilitating planning. It can help align your business and personal goals with the type of investments you wish to make and retirement you hope to achieve. Many prefer a low maintenance strategy, choosing to invest in property development investment and other hands-off investments.

A generic service is good enough: **FALSE**

Business tax planning is a complex subject. It encompasses various niche and specialist areas that regular accountants may not be well-versed on. These structures must also adhere to HMRC rules and regulations, so it is imperative to speak to a specialist who can work alongside your existing accountant to create a tailored plan for you and your business that does not fall foul of the rules.



Your pensions are untouchable before age 55: **FALSE**

As a business owner, government affords you elevated control of your own pension funds, before you reach the age of 55. With this added control, your funds can be used to support your own business strategies. Up to 50% of the total fund can be loaned to your business. The remaining funds can be invested at the discretion of the scheme members.

Company tax strategy is rigid: **FALSE**

There are over 1,000 tax benefits and incentives available to company directors – it comes down to which are relevant to you, your business, and your family structure. It is possible to integrate tax planning products to achieve even further tax savings and investment power, such as combining the Small Self-Administered Scheme with the Family Investment Company to form a robust Lifetime Business Tax Plan.

All business owners have the same liabilities: **FALSE**

Whilst Corporation Tax affects all business owners in some shape or form, the amount can vary considerably depending on a range of factors, including which tax incentives the business owner implements into their strategy. It is also important to consider your own tax planning priorities and which tax liabilities are more important to mitigate. For instance, if you have a business and wealth that you would like to pass down to your family, Inheritance Tax is likely to be more of a concern, whilst other business owners might be more concerned with their current Corporation Tax liabilities. You can achieve both with the right plan, but your strategy may lean more in one direction than the other.



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About TLPI

We are registered with HMRC as trust and company formation providers and also as SSAS administrators. Since 2004 we have successfully helped thousands of clients with financial plans and have enviable positive feedback and review history which can be found online.

TLPI recognise that business owners and their families need to work with specialist consultants that understand businesses and the problems that business owners need solutions to. We want to help you grow your assets, protect them, and reduce your taxes.

All of our consultants are experienced in property, investment strategy, pensions and business.

Contact us today and allow us to create a tailored solution together, that suits your personal situation.





What are the next steps? Take action today!

TLPI has the experience and expertise to understand your personal goals and strategies, and create a bespoke and personal product which affords you maximum flexibility.

You can contact us using the following details:



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