

Who can establish a SSAS?

As an Occupational Pension Scheme, a SSAS can only be established by a UK Registered Employer.

Now the definition of a UK Registered Employer is pretty far reaching and is not currently restricted to what most people expect, which is a standard trading company which also operates a PAYE scheme for its employees.

As we understand, the following are classed as a UK Registered Employer for the purpose of establishing an Occupational Pension Scheme.

A UK Registered:

1. Public Limited Company (PLC)
2. Private Limited Company (Ltd)
3. Charity
4. Trade Union
5. Limited Liability Partnership (LLP)

Rightly or wrongly and subject to change following the proposed Finance (No.2) Bill 2017-19, dormant limited companies (i.e. those who do not currently trade) can still establish an Occupational Pension Schemes, but they must intend to trade in the future.

The proposed, Finance (No.2) Bill 2017-19, is an interesting and very broad one which, when enacted, would grant HMRC the power to refuse registration and to deregister any Occupational Pension Scheme that has had a dormant Sponsoring Employer within the previous 12 months (the 12 months up to the date they decide to refuse or remove the registration).

Sole Traders (the Self Employed) and Registered Partnerships, can also establish an Occupational Pension Scheme, but due to the fact that the Employer and the Individuals are the same legal entity, HMRC would expect the scheme's rules to prohibit membership being offered to the individual employers themselves.

It's important to remember that many sole traders will also own a dormant limited company (normally to protect their trading name) and it is considered a normal progression for most businesses to start off as a sole trader or partnership, before moving their trade to a limited company (normally for tax planning purposes). Our hope is that in these very uncommon, but legitimate circumstances, HMRC will allow such schemes the opportunity to prove that their intentions are good.