



BESPOKE
Trustees Limited

Your Assets, Your Choice, Your Future



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BESPOKE TRUSTEES LTD.

SELF ADMINISTERED PENSION SCHEME

A BROAD OVERVIEW

Bespoke Trustees Ltd is the leading provider of self-administered pensions in the north east of Ireland.

Bespoke Trustees Ltd does not take any responsibility for loss or damage occasioned by any person acting or refraining from acting as a result of the contents of this brochure. This brochure is based on Bespoke Trustees Ltd current understanding of pensions law and revenue practice as at April 2008.

BESPOKE SAPS

You may be working hard for your company ensuring that it survives and thrives. But as you invest time, skills and energy in your work, ask yourself.....

Do I allocate enough resources to ensure that my own financial future is being looked after?

Am I taking enough time out to ensure that funds are extracted efficiently from the company and are invested in the right investment structure for me?

Self administered pensions have become the investment vehicle of choice.

Self administered pensions put you in the driving seat.

The Bespoke Self Administered Pension Scheme (SAPS)

The Bespoke Self Administered Pension Scheme (SAPS) is a completely flexible, cost effective pension scheme that truly puts you, the investor, in control.

You can take control of both the investments and costs associated with your wealth planning.

The Bespoke SAPS offers you access to a wide range of investment options.

You invest your pension funds in the manner best suited to your investment requirements.

The Bespoke SAPS lets you decide the most appropriate level of risk and split of assets within your retirement portfolio.

Questions

Are you in a position where you need to manage your future financial well being? Is it important to you to invest with maximum tax efficiency? Are you perhaps running your own company and you want to draw funds from the company in the most tax efficient manner possible? Is wealth management important to you? Are you happy with the range of funds offered to you by many financial institutions or are you inclined perhaps to seek out more bespoke type investments?

More questions....

Have you perhaps invested in property syndicates, shares, structured deposits or other investments using after tax money? Would you be happier if you could invest for your own benefit using pre tax money, investing tax efficiently with perhaps some of your returns being paid tax free?

Are you...

A salaried director or employee? Have you sacrificed time and effort to build a business and perhaps now is the time that the business looks after you? Have you some insurance company pension funds which you feel could be put to better use?

Some answers...

If the answers to the above questions are YES, then perhaps a self administered pension scheme (SAPS) is what you are looking for. SAPS have a range of names such as Small Self Administered Schemes or Self Directed Retirement Trusts.

SAPS are owner controlled pensions which avail of the very generous tax reliefs provided under current pension legislation that enable you to build up future wealth for you and your dependants.

Your Assets, your Choice, your Future...

You decide on where your funds are invested. In the first instance, your funds will be placed in an interest bearing deposit account to which you are a signatory. As part of a Revenue Commissioners requirement, a co signatory, known as a pensioner trustee, needs to be appointed, to your SAPS. Funds may not leave the bank account without the combined specific written authority from you, countersigned by Bespoke Trustees. Bespoke Trustees is a Revenue Approved Pensioner Trustee, Bespoke Trustees acts as pensioner trustee of your scheme and manages all the administration of your SAPS.

Where do you invest?

You can invest your funds in many ways:

- Cash
- Gilts
- Bonds
- Equity
- Syndicated property structures
- Unit trusts
- Structured Deposits (tracker bonds)
- Unit linked funds

This list of available investments is almost endless, there are certain investments that are not allowed, these are described in a little more detail below.

Tax treatment

SAPS investments in Irish and UK assets should be free of Income and Capital Gains Tax, investments made by the SAPS outside Ireland and the UK will however generally have some tax leakage. At the time you receive the benefit of your contributions and investment returns (normally from age 60 onwards), you typically will be able to draw 25% of the accumulated fund as a tax free payment. There are some rules and limitations to the 25% tax free entitlement that you should discuss with your Financial Advisor.

When can you access your wealth?

Typically you access your wealth at age 60 although you do not necessarily have to finish work. You may access the funds from age 50 but under current Revenue rules this would require you to retire from the company and sell your shareholding. If this were a likely eventuality Bespoke, in conjunction with your Financial Advisor would be in a position to assist in advising you on how best to manage the process.

How much can the company put into a SAPS for me?

The amounts that can be contributed to a SAPS on your behalf is extremely generous and is determined by a number of factors such as:

- Your age
- Your salary
- Your length of service with the company, and
- Your existing pension benefits (if any)

For example, it would not be unusual for your company to receive approval from the Revenue Commissioners to contribute a multiple of your salary on an annual basis to a SAPS for you. Bespoke Trustees can establish the maximum that can be contributed to a scheme on your behalf.

Example:

For example, if you are aged 50 and earning an annual salary of €100,000, approximately €265,000 could be contributed to your SAPS annually.

The above is just an example and separate calculations need to be completed to take account of each individual's personal circumstances.

So what limitations are there on a SAPS?

Bespoke Trustees will advise you on what your scheme can and cannot do but there are some basic principles you should be aware about.

All investments should be for the **sole purpose** of providing benefits. So for example if you owned a property and wished to sell it to your SAPS, or you wished to rent a property already held by your SAPS to a connected party, the "sole purpose" test would be broken and as such the investment is not allowable. Another example, you own a company and you wish to purchase shares in the company with cash in your SAPS, the sole purpose test would again be broken and the investment would not be allowable. **All investments must be at arms length.** There are also specific restrictions on certain investments. These are classed as "pride in possession articles" and comprise works of art, fine wines, antique cars, race horses and more. Bespoke Trustees is always in a position to advise you on these prohibited investments.

If you have more than one employment, will one SAPS work?

No. Each SAPS must relate to one employment. However while that can appear to be cumbersome, it can provide you with some advantages. Similarly, if your spouse has an employment and wants to set up a SAPS, he/she must avail of a separate SAPS. Again while this may appear cumbersome, it can provide advantages without increasing restrictions.

What about tax planning to achieve the best outcome?

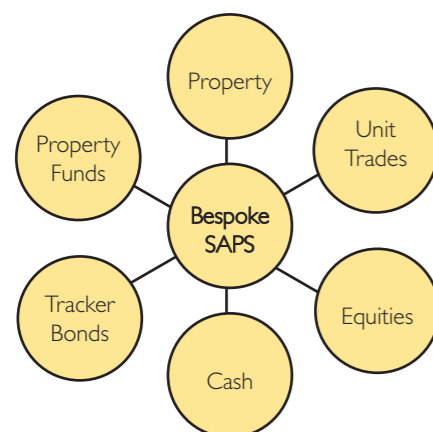
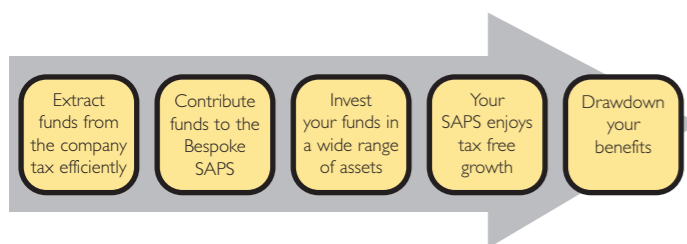
There is every chance that someone in your position may have other tax considerations and therefore it is generally possible to combine using your SAPS with good tax planning to achieve the best possible outcome for yourself. Remember though, planning typically begins as early as ten years before retirement. Bespoke Trustees has the competency and experience to assist you in this regard if you require. Bespoke is a market leader in this field.

Are Revenue Commissioners made aware of your SAPS?

Yes. While these trusts are extremely attractive means to accumulate and manage wealth, they are entirely governed by pensions legislation. As each SAPS is set up, the Revenue Commissioners are notified and each SAPS is individually approved by the Revenue Commissioners. The tax reliefs available to SAPS – on contributions in to the SAPS, tax free growth within the SAPS and on the withdrawal of funds from your SAPS – are extremely generous. Bespoke Trustees can advise on how best to maximise the tax benefits of investing in a SAPS.

How do I go about setting up a SAPS?

- Contact your financial advisor
- Complete the Bespoke Trustees Ltd SAPS Application Form
- Your financial advisor will inform you of the documentation required to enable Bespoke Trustees Ltd to draft the required documentation and apply to the Revenue Commissioners for your scheme to receive tax exempt status
- You and your company can lodge funds to the SAPS operating bank account
- Start investing!



For more information on SAPS please contact your Financial Advisor or call or email us at 041 980 6666 or info@bespoketrustees.ie

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