

Loans to your business from your SSAS

You can make a loan to your business and pay the interest to your pension

This can be completed in easy steps

- ▶ How much do you want to lend out (maximum 50% inc interest)
- ▶ Set the loan term (maximum 5 years)
- ▶ Set the frequency repayment (monthly, quarterly, annually)
- ▶ Set the interest rate you wish to charge to your business (at least 1% above bank base rate).
- ▶ Give some basic details on the security for the loan (first charge needed)



What happens next

We will email you to get some more details about the security to be provided, we will also get in touch with the accountant for the business to confirm that in their independent opinion the loan is viable and commercial.

We will obtain a valuation of the security to be charged, this will protect your pension fund against default. The borrowing and the interest must be equal to the security and your pension fund must have a first charge.

Types of Security

Generally, the pledge is against the assets of the business and it is arranged as a floating charge, similar to that of the bank's charge.

You cannot place a charge against certain assets, such as residential property or personal chattels, for example your car or a holiday home. It must be an asset which if secured against, presents a recoverable and non-taxable asset. Examples of security include, commercial property, money owed to your business. We can give you specific guidance on this.

Approval

Loans are generally approved, subject to security, within 72 hours. We are approving the loan as being permitted under HMRC rules. You are approving the loan as the trustee and beneficiary of your SSAS on the basis that it is a prudent, commercial investment.

Documents and Money Transfer

Your loan and legal charge is an online form sent via docusign, once this has been signed and registered online at Companies House (24 hours), the funds are released from your pension account to your business account.

Keeping in control of your loan account

You can view your loan account online or on your mobile device. This will show repayments when they come in and when they fall due. We set up repayments by standing order and the money paid back will be credited with interest to your SSAS bank account.

You can manage your loan account via your mobile app or on a desktop device.