



**Media Release
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Property SIPP & SSAS to boom with end of death tax

More people will put commercial property into SIPPs and SSASs as a result of the end of the death tax, making property investment much more attractive, says Xafinity.

Historically, the holding of property has been a niche investment as unwinding a SIPP or SSAS with property, as the member approached and entered retirement, could be an issue. But, by allowing assets to pass to a beneficiary at death there will be no need to sell the property.

Xafinity predicts that with the effective removal of this problem we could see the emergence of the "Multi-generation or family SSAS" where the founding fathers of the company can pass down large pension funds to family members, without the penal 55% death tax charge.

With the ability from April 2015 to pass drawdown pots on to any beneficiary at death, SSAS members can take their tax free cash and leave their remaining drawdown pot invested in property under the SSAS. The drawdown pot will continue to receive rental income and the member can access this as required.

With the property remaining in the tax wrapper of the SSAS any growth on the value of the property will continue to be free from capital gains and the rental income will continue to increase the pot free from income tax.

Xafinity says for family businesses this has the further advantage that, where the children are now running the business, they can draw income from the pension pot leaving money that would have been taken as their income within the company to further invest and expand the business.

Alternatively, if income is not being taken, the drawdown pot will continue to grow as the rental income is received. The cash funds could be used in the future to loan back to the company.

Jeff Steedman, head of SIPP/SSAS business development at Xafinity, said: "Whilst SSASs are more likely to have property assets in them due to the length of time they have been around, SIPPs with property are affected in a similar way and we will undoubtedly see more people who have historically discounted property within a SIPP looking at the issue differently after next April. Both SSASs and SIPPs, already known for their flexibility, have become even more flexible and a really compelling proposition for SMEs."

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Notes to Editor**Xafinity**

Xafinity is one of the UK's leading specialists in pensions and employee benefits. Our expertise addresses the needs of both trustees and companies in pensions and actuarial services, flexible benefits and healthcare. We are committed to providing a professional and proportionate service, tailored to our clients' needs and delivered cost effectively.

Xafinity has managed SSAS since 1979 and SIPP since 2004 and we have built a hugely experienced and growing team, with 55 specialised staff . We administer SIPPs and SSASs for around 4,400 clients, with over £1.4bn worth of assets which includes over 1,550 commercial properties, a specialist area of self-invested pensions