



SELF INVESTED PERSONAL PENSIONS

WHAT ARE THEY AND WHAT ARE THE KEY BENEFITS?

WHAT IS A SIPP?

Self Invested Personal Pensions, or SIPPS, provide a **tax-efficient** investment scheme, suitable for both controlling directors and employees, which allow the holder to enjoy **control** over the direction of their pension investments. They also offer a great degree of **flexibility** of contributions. A SIPP has all of the tax benefits associated with regular pension plans and contributions to a SIPP enjoy personal **tax relief** and/or corporation tax relief. Returns generated by the fund are **exempt from income tax** and capital gains tax.

Technically, a SIPP is a trust and each SIPP is administered and separately approved by the Revenue Commissioners as a tax-exempt scheme.

A key feature of Self Invested Personal Pensions (SIPP's) is your ability to identify and acquire specific property investments. This allows you to use your own market knowledge and contacts to access unique opportunities and significantly **enhance your retirement assets**. (Most pensions, year to date, are losing an average of nearly 35%).

Funds from existing occupational pensions **CAN** be transferred to a SIPP.

WHAT IS THE DIFFERENCE BETWEEN A SIPP AND A REGULAR PENSION PRODUCT?

If you invest in an insurance company pension product, you must choose from the fund options available under that contract. A SIPP will allow you to avail all of the benefits of the pension structure without the obligation to invest in to specific funds. It is possible to hold individual properties, land, deposits, equities and a variety of other investments directly in to your scheme. You may also choose to make greater contributions to your SIPP than with a regular pension.

Unlike many pension arrangements offered by insurance companies there are no obligations to make regular contributions to a SIPP nor are there any penalties imposed if further contributions are not made. They are designed to provide pension benefits to the company director or employee. Funds are kept entirely separate from the company's funds and are therefore protected from company creditors.

- **Freedom & Flexibility** – A wide range of investments can be held in a SIPP (subject to certain restrictions). Unlike traditional pensions, a SIPP offers control and flexibility over the selection of investments.
- **Tax Efficiency** – Contributions can enjoy Income Tax relief and Corporation Tax relief. Income and capital growth on investments are exempt from Income Tax and Capital Gains Tax.
- **Control** – The trustees will have more control of a SIPP fund than they would have in the case of an insured scheme.
- **Cash Flow** – Contributions, when and how much, can fit around the cash flow of the company and there is complete flexibility (subject to Revenue limits) over the amount. This could mean that in a bad year for the company no contributions need to be made. A SIPP is an efficient way to transfer company profits into personal capital. All funds are held in trust for the investor. Once invested in the scheme they no longer form part of the assets of the company.
- **Costs & Value For Money** – An insured scheme normally carries hidden costs and penalties if the scheme terminates early. The cost of setting up and managing a SIPP is met by fees which are typically paid by the employer company and are fully tax deductible.

DID YOU KNOW? Funds from existing occupational pensions **CAN** be transferred to a SIPP.

WHAT ARE THE TAX BENEFITS OF A SIPP?

A SIPP has all the tax benefits of regular pension plans. Contributions enjoy **personal tax relief** and/or **corporation tax relief**. Returns are exempt from income tax and capital gains tax. A certain portion – typically 25% of the value of the investment – may be taken **tax-free** at retirement and the balance of the fund may be invested in a manner which similarly enjoys **income tax and capital gains tax exemption** subject to certain conditions.

TAX BENEFITS OF A SIPP INCLUDE:

- All company transfers to a SIPP are deductible for corporation tax purposes.
- The costs of establishing and running a SIPP are borne by the employer company and are tax deductible.
- Subject to certain recently introduced maximums, 25% tax free cash sums are available on retirement.
- The proprietary director is not liable to tax in respect of these transfers, i.e. there is no BIK (benefit in kind) on company contributions to a SIPP.
- Investments held within a SIPP grow free of Capital Gains Tax and Income Tax, e.g. there is no DIRT (Deposit Income Retention Tax) on cash deposits held by the SIPP.
- **Our properties can be purchased through the use of personal pension funds.**

PROPERTY INVESTMENT WITH A SIPP

Through the use of a Self Invested Personal Pension (SIPP) you can choose to invest directly in various different assets such as cash, fixed interest securities, stocks & shares and of course commercial property.

If the property that you choose to purchase with a SIPP enjoys guaranteed annual rental returns, you can view these returns as **guaranteed interest** on your pension fund. A select number of properties are also available for purchase with a developer **buyback guarantee**, meaning that you will be guaranteed to make back not just the sum that you initially invested in the property, but also a substantial figure on top of this.

SIPPs are free of any form of capital gains or income tax in the UK. This often makes our properties even more appealing to our investors who wish to use their pension funds to purchase with us. It should be noted however that any asset held within the SIPP cannot be used by the investor (ie. you cannot enjoy free usage of your property) as the asset must be owned purely for commercial reasons.

ADVANTAGES

- Achieve guaranteed annual rental returns.
- Benefit from secure exit strategies such as developer buyback guarantees.
- Ownership of a tangible asset.
- Investments held within a SIPP grow free of Capital Gains Tax and Income Tax, e.g. there is no DIRT (Deposit Income Retention Tax) on cash deposits held by the SIPP.

RETURNS GENERATED ON A SIPP INVESTMENT AT CHÂTEAU DE LA CAZINE GOLF AND SPA RESORT

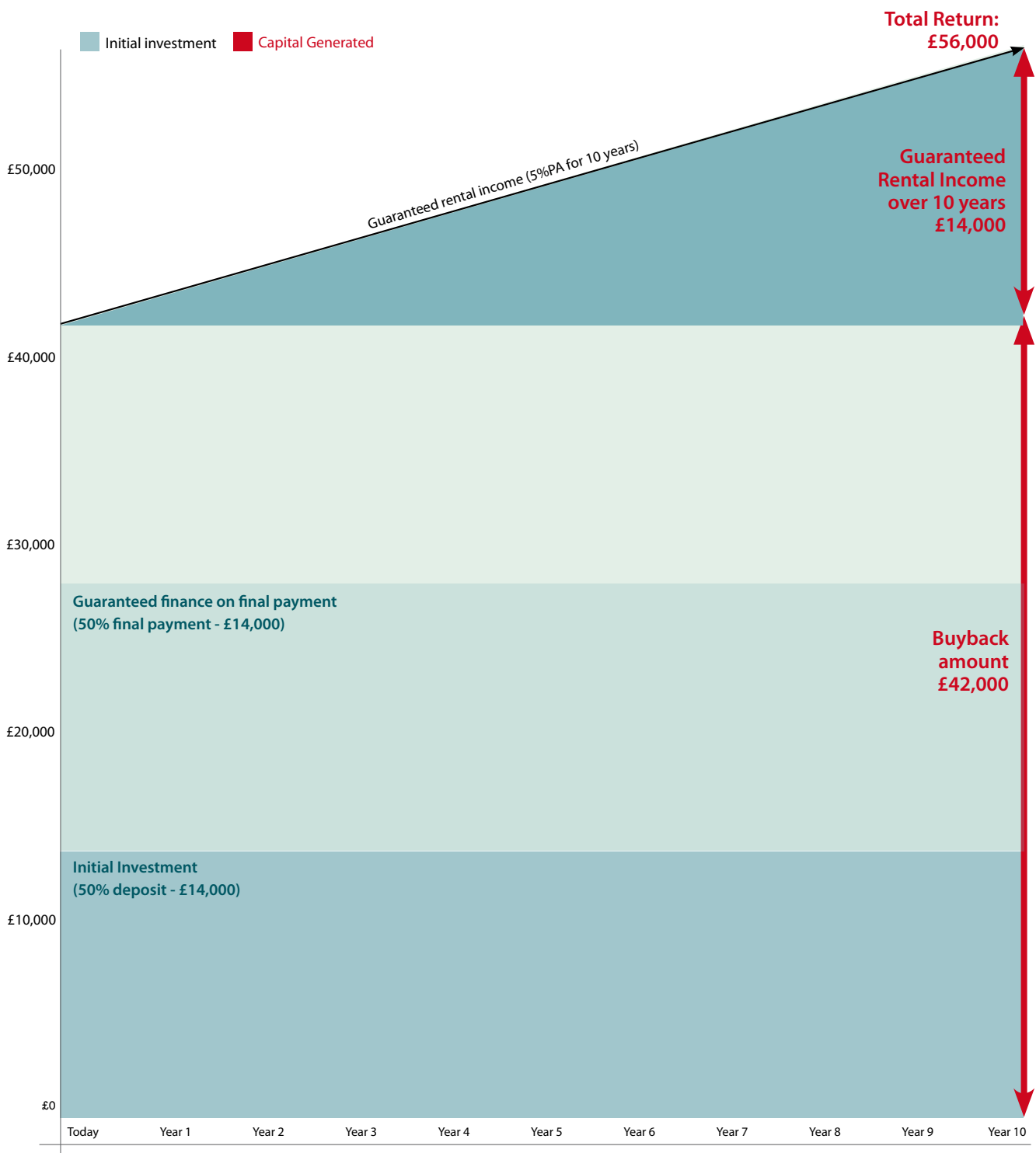
Please see the table on the following page which shows a performance model over 10 years, for the fractional ownership of a Château Suite at Château de la Cazine Golf and Spa Resort.

DID YOU KNOW? A SIPP has all the tax benefits of regular pension plans.

PERFORMANCE MODEL OVER 10 YEARS

FRACTIONAL OWNERSHIP OF A CHÂTEAU SUITE AT CHÂTEAU DE LA CAZINE GOLF AND SPA RESORT - FIGURES CURRENT DECEMBER 2011

Buyback amount 10 years post-completion: **£42,000** + Guaranteed Rental Income over 10 years: **£14,000** = **Total Return: £56,000**



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