

# SSAS Loanback Q&A

## Guidance Notes 30<sup>th</sup> April 2020

This document is provided for use by professional advisers in conjunction with products provided by Talbot and Muir. The information in this document is based on our interpretation of the relevant HMRC guidelines, which are subject to change.

### Overview

---

Small self-administered scheme (SSAS) queries have continued to rise over the course of the past month, particularly in relation to the scheme's loanback feature, which allows the SSAS to loan funds to the scheme's sponsoring employer at competitive rates.

Here we have put together some of the most frequently asked questions:

### Can I lend money from my SIPP to my company?

---

No – Only a Small Self-Administered Scheme (SSAS) can lend funds to a sponsoring employer.

### What can be used as security?

---

We allow loans to be secured against unencumbered UK commercial property and land, and in certain circumstances against the sale proceeds of UK residential property.

### What about the interest rate?

---

The minimum interest rate that can be applied is 1% above base rate, rounded up to the nearest 0.25% (so 1.25% minimum currently).

### What is the maximum that I can lend?

---

The SSAS can lend up to a maximum of 50% of its' net asset value.

### What is the maximum term of the loan?

---

5 Years.

### Is the loan structured on an interest only basis?

---

No – loans must be structured on a repayment basis with regular repayments of capital and interest payable at least annually.

---

If you have any further queries, then please follow this link to see our Loanback case study [here](#) or call your usual contact at Talbot and Muir on 0115 8415000.

## Other guides

---

Other useful guides can be obtained from our Adviser Support Team or online in the Knowledge and Technical Section of our website [www.talbotmuir.co.uk](http://www.talbotmuir.co.uk) they include:

- SSAS Guide
- Loanback Guide

**talbotandmuir**

**Talbot and Muir**

55 Maid Marian Way

Nottingham

NG1 6GE

Telephone 0115 841 5000

Facsimile 0115 841 5027

[www.talbotmuir.co.uk](http://www.talbotmuir.co.uk)

Talbot and Muir Limited provides administration to Small Self Administered Pension Schemes and is authorised by and regulated by the Financial Conduct Authority to provide administration to Self Invested Personal Pensions.

Talbot and Muir is the trading name for Talbot and Muir Limited (company number 02869547), registered in England, registered address 55 Maid Marian Way, Nottingham, NG1 6GE. A list of directors is available upon request.

Tech – SSAS01 – April 2020

---