# CASE STUDY

We were introduced to two directors of a successful, expanding business, which required new larger commercial premises from which to trade.

The two directors each had Defined Contribution Money Purchase Pensions which collectively had a value that was more than sufficient to buy the new premises.

The directors therefore decided to transfer and consolidate their pension funds within a Group SIPP to acquire the new property.

By making use of their pension schemes in this way, they saved money, having negated the need to go to their bank to borrow funds.

Holding the commercial property within their pension scheme allowed them to benefit from future tax-free rental payments to the scheme, paid by the business (also treated as a tax deductible trading expense).

The property is now retained within the protected environment of their pensions. The property will not be subject to capital gains tax at the point of disposal and, furthermore, under normal circumstance, the pension's property asset would also be exempt for Inheritance Tax purposes.

The pension members also secured a tangible pension asset with the ability to generate a known future income stream, to help with their long term retirement plans.

This was received well by the directors. The clients appreciated the firm's proactive team approach delivering a positive, tax efficient solution.


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