WBR GROUP

DEFINED BENEFIT SSAS GUIDE

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TURBO-CHARGE YOUR PENSION CONTRIBUTIONS

A SMALL SELF-ADMINISTERED SCHEME (SSAS) OFFERS SMES AND FAMILY BUSINESSES THE MEANS TO PROVIDE PENSION BENEFITS FOR THEIR DIRECTORS AND KEY EMPLOYEES WITHIN SPECIFIC FUNDING LIMITS.

A WBR Defined Benefit (DB) SSAS, registered with HMRC, can receive up to 2.5 times the contributions allowed in a Defined Contribution (DC) environment.

WBR Group writes more SSASs as DB schemes than any other provider. Our Chief Actuarial Officer, David Downie is the architect of the DB SSAS and has worked extensively with HMRC to ensure it meets all legal and governance requirements.

It is an occupational pension scheme, with 11 members or fewer, designed for employers who want to maximise the provision of pension benefits for directors and key employees in a given year.

A DB SSAS can be open to all employees. All the members are trustees and all decisions must be made jointly by all trustees. In practice a DB SSAS is usually established for the benefit of the owners/directors.

The scheme has no link to service, salary or future employment. Instead, defined future benefits are secured in the scheme on an ad-hoc basis at the discretion of the employer.

A WBR DB SSAS is not a final salary scheme, and does not therefore have the potential for the sponsoring employer to have the requirement to make up funding deficits.

DC SSAS AND DB SSAS - WHAT'S THE DIFFERENCE?

A DC SSAS IS A PENSION ARRANGEMENT WHERE THE PENSION BENEFITS AT RETIREMENT ARE DETERMINED BY AGREED LEVELS OF CONTRIBUTIONS PAID INTO THE FUND BY THE MEMBER AND EMPLOYER. THIS DIFFERS FROM A DB SSAS WHICH PROVIDES SPECIFIC BENEFITS ON THE RETIREMENT OF ITS MEMBERS FROM AN OCCUPATIONAL PENSION SCHEME.

	Defined Contribution SSAS	Defined Benefit SSAS
Method of tax assessment	Contributions paid	Benefit accrual
Maximum annual benefit	Annual allowance **£60,000**	Annual pension – 1/16 of annual allowance **£3,750 pa**

CONTRIBUTION LEVELS - DB & DC SSAS

For annual earnings up to £260,000
WBR Actuarial Limited - Q1 2025

DC SSAS
WBR DB SSAS

FOUR KEY BENEFITS OF A DB SSAS

1

BOOST FUNDING & LARGER CONTRIBUTIONS

Your DB SSAS can be used to catch up on lost years' of pension funding. This maximises corporation tax relief and is ideal if you are looking to accumulate funds quickly for a specific investment, or taking benefits.

3

AVOID CONTRIBUTION RESTRICTIONS

Directors and key employees may have contribution restrictions in the DC environment. If they have triggered the Money Purchase Annual Allowance (MPAA) a DB SSAS can benefit them. Where they are high earners with a tapered Annual Allowance they may also be able to benefit from the defined benefit rules depending on their circumstances.

2

INVEST IN YOUR BUSINESS

Funds within your DB SSAS can be pooled by up to 11 employees and used to purchase a wide range of investments including property purchase and loanback. The scheme's borrowing capability, of up to 50% of net fund value, allows additional value to be leveraged while you build a substantial pension fund for your retirement.

4

REDUCE CORPORATION TAX LIABILITY

Employer contributions qualify for tax relief, so significant savings can be made particularly when carry forward is utilised to fully fund the DB SSAS. Spreading of tax relief requirements does not apply in the first year of a pension scheme, so full corporation tax relief is available.

REAL-LIFE SITUATIONS

JAMES AND KAREN, BOTH 48 AND JOINT BUSINESS OWNERS, HAVE £300,000 CASH IN THEIR BUSINESS, FACING 25% CORPORATION TAX IF LEFT UNTOUCHED.

They both have £60,000 unused annual allowance from the current tax year. Through their company they decide to establish a DB SSAS and their annual allowance would allow a defined benefit of £3,750 p.a. for each of them. The company contribution to meet both the defined benefit pensions would be £147,400 for James and £136,200 for Karen. Giving total company contribution of £283,600. This could save their company £68,750 in corporation tax (25% of £283,600).

James and Karen can utilise up to 50% of the scheme funds via a loanback in the future, should the company require liquid capital for normal business expenditure needs. There are strict rules for loanbacks that we will be pleased to discuss.

They can also consider securing new additional defined benefit pension promises in future years which can be managed in an ad hoc manner.

UNDERSTANDING THE RISKS AND SUITABILITY OF A DB SSAS

WBR GROUP'S TEAM OF EXPERTS WILL GUIDE YOU THROUGH THE PROCESS OF SETTING UP A DB SSAS, HOWEVER, THERE ARE A NUMBER OF FACTORS YOU SHOULD CONSIDER WITH YOUR ADVISER BEFORE YOU DECIDE TO CONTINUE IN ORDER TO ENSURE IT IS THE RIGHT SOLUTION FOR YOU AND YOUR BUSINESS.

- **THE DB SSAS IS A PRODUCT WHICH IS MOST LIKELY TO BE CONSIDERED BY SME'S/FAMILY BUSINESSES THAT ARE PROFITABLE AND HOLD CASH RESERVES.**
- **WBR RECOMMENDS THAT PROSPECTIVE CLIENTS TAKE ADVICE FROM YOUR FINANCIAL ADVISER AND/OR YOUR ACCOUNTANT.**
- **LIKE ANY PENSION, THE AIM IS TO PROVIDE A SUITABLE FUND AT RETIREMENT AND THEREFORE REQUIRES A COMMITMENT FOR WHAT IS LIKELY TO BE THE LONGER-TERM.**
- **A DB SSAS IS LIKELY TO HAVE HIGHER FEES THAN OTHER PENSION SOLUTIONS SO YOU SHOULD CONSIDER IF LOWER COST ALTERNATIVES COULD ACHIEVE THE DESIRED OUTCOMES.**
- **USING A DB SSAS RATHER THAN AN ALTERNATIVE PRODUCT MAY RESTRICT FUTURE BENEFIT FLEXIBILITY.**
- **MAKE SURE YOUR ADVISER EXPLAINS HOW DB COMPARES TO DC.**

BENEFITS AND FEATURES OF A DB SSAS

A DB SSAS OFFERS MANY BENEFITS AND UNIQUE FEATURES. ON PAGE FIVE WE HAVE HIGHLIGHTED SOME OF THE KEY BENEFITS AND BELOW HERE IS A MORE COMPREHENSIVE LIST.

- **A DB SSAS has the same wider investment powers of a traditional SSAS including commercial property investment and secured loans to your business.**
- **It uses the rules relating to defined benefit schemes and our actuaries calculate a permissible target pension from which a contribution is agreed.**
- **The contribution is usually an allowable deduction for corporation tax in the hands of the sponsoring employer. With the current rate of corporation tax at 25%, this makes our DB scheme even more attractive.**
- **A unique feature of our DB SSAS is that investment growth that is above the actuarial assumptions (called a surplus) can be used by the trustees to fund benefits for new members (for example, other members of the family).**
- **If a review finds that the scheme is in deficit there is no requirement for the sponsoring employer to make contributions to relieve the deficit. This means there are no contingent liabilities in the hands of the sponsoring company.**
- **Allows catch-up for lost years of pension funding – known as Carry Forward using the same methodology of target pension.**
- **Used to accumulate larger pension funds over a shorter time period when compared to defined contribution pensions.**
- **Assists in the accelerated funding for a specific investment such as commercial property purchase.**
- **Directors and key employees may have contribution restrictions in the DC environment. If they have triggered the Money Purchase Annual Allowance (MPAA) a DB SSAS can benefit them. Where they are high earners with a tapered Annual Allowance they may also be able to benefit from the defined benefit rules depending on their circumstances.**

For further information
Please view our video by scanning the QR Code

HOW ARE CONTRIBUTIONS CALCULATED?

The company contribution, required to fund the DB SSAS, is calculated by WBR Actuarial.. This is based on a conservative growth rate and includes a spouse's pension provision, indexation of pensions in payment and a guarantee period.

CONTRIBUTIONS NEEDED FOR A TARGET PENSION OF £3,750 PER YEAR

For annual earnings up to £260,000
WBR Actuarial Limited - Q1 2025

WHY WBR GROUP

GREAT THINGS HAPPEN WHEN WE WORK TOGETHER.

WBR Group excels in innovation and expert collaboration, providing a unique opportunity to merge business growth with retirement strategies, alongside leading-edge tax advice, and renowned expertise in commercial property, actuarial services, and complimentary legal solutions.

Guiding SMEs, entrepreneurs, and families to a tax-efficient and prosperous future.

As the UK's leading independent provider of SSAS and trust-based solutions, we're known for delivering bespoke, technically brilliant strategies that unlock long-term value. These solutions are provided in-house through our multi-disciplinary teams.

PIONEERS OF THE DB SSAS

THE DB SSAS OFFERING FROM WBR GROUP WAS CONCEIVED BY OUR CHIEF ACTUARIAL OFFICER, DAVID DOWNIE. FIRST ESTABLISHED IN 2007 FOLLOWING THE INTRODUCTION OF PENSIONS SIMPLIFICATION, THE CONCEPT OF INCORPORATING DEFINED BENEFIT (DB) FUNDING WITHIN A SSAS WAS DEVELOPED IN FULL AND TRANSPARENT CONSULTATION WITH HMRC.

Since then, David has maintained an ongoing dialogue with HMRC, helping to provide advisers and clients with continued confidence in the legitimacy and compliance of the product. To date, WBR Group has established around 400 DB SSAS schemes - all successfully registered with HMRC without a single rejection. In every case, pension contributions made at the recommended levels have never been queried.

This track record is underpinned by strong relationships with advisers, dedicated DB SSAS administrators, the technical expertise of our specialist SSAS teams (including for example commercial property), and the deep knowledge of WBR Actuarial, which includes five qualified actuaries. Together, these elements enable WBR Group to deliver a seamless, end-to-end service that consistently achieves positive outcomes for our clients.

KEY ROLES AND RESPONSIBILITIES

IN ORDER TO MANAGE A DB SSAS THERE ARE A NUMBER OF PARTIES WHO NEED TO WORK CLOSELY TOGETHER BUT ALL HAVE THEIR OWN RESPONSIBILITIES.

Adviser	WBR (Administrator)	WBR (Actuary)	Employer	Trustee
• Responsible for advice to employer and to trustees for scheme establishment, contributions and benefit promise. • Be careful to manage any conflicts of interest. • Needs to give guidance on investment choice. • Responsible for advice regarding transfers in. • Responsible for advice regarding benefit options. • Needs to give advice on any pension transfers out.	• To report to the trustees on their regulatory responsibilities. • To complete HMRC - related due diligence on permissibility of investments. • Will inform member trustees of their responsibilities. • Will liaise with HMRC. • Will set out rules on acceptable investment advisers (minimum requirements). • Act as coordinators and support other parties including members as required. • Notify of changes in legislation. • Day to day responsibility for the operation of the scheme including scheme registration and reporting.	• Triennial review and report to the trustees and the employer on the funding status of the scheme. • Provide advice on funding for additional benefits. • Advice on payment or benefits.	• To make a commitment to funding retirement benefits. • Will have responsibilities for additional costs – DB SSAS advice and administrative costs are likely to be higher than other pension plans. • To keep WBR Group and the trustees informed of their trading and member employment status.	• All scheme members are appointed as trustees alongside WBR Trustees Limited, which acts as an independent trustee. • Compliance with the terms of the trust deed and rules as well as legislation. • Make unanimous decisions regarding investments.

TIME TO TALK

OUR DEDICATED BUSINESS DEVELOPMENT TEAM IS HERE TO SUPPORT YOU EVERY STEP OF THE WAY, WHETHER YOU'RE AN ADVISOR OR A PROSPECTIVE CLIENT EXPLORING DB SSAS, WE'RE ALWAYS HAPPY TO HELP.

PETER COLLIER

Director of Distribution
07932 790652
peter.collier@wbrgroup.co.uk

ALAN GODBEER

SSAS Sales Director
South West, South Wales
& South Coast
07894 6079171
alan.godbeer@wbrgroup.co.uk

JAMES CANNON

Head of Business Development
North West, Mid/North Wales
& Northern Ireland
07539 070960
james.cannon@wbrgroup.co.uk

NICK WHITE

Head of Business Development
North & Scotland
07539 071392
nick.white@wbrgroup.co.uk

WHAT NEXT?

PLEASE CONTACT OUR DEDICATED BUSINESS DEVELOPMENT TEAM TO DISCUSS DB SSAS FURTHER, OR TO MAKE AN APPLICATION.

OUR AWARDS

defaqto ★★★★★ 2026 EXPERT RATED

Moneyfacts 5 PRODUCT RATING SSAS 2024 – 2026

WINNER Investment Life & Pensions Moneyfacts Awards 2025 Best SSAS Provider

KEEPING IN TOUCH

0333 320 9230

sales@wbrgroup.co.uk

www.wbrgroup.co.uk

WBR SSAS is a trading name of companies within the WBR Group Holdings Limited, company registration number 14899100; registered office 5A Dominus Way, Meridian Business Park, Leicester, LE19 1RP