

# Boost your pension without the need to find any cash!

**You can, of course, make contributions into your SIPP by monetary contributions, but this is not always convenient. That is why we advise on “*in specie*” contributions.**

This means that you can boost your pension even if you do not have available cash, using various forms of assets such as:

- Shares and other investments; or
- Commercial property

Contributions made in the form of assets are usually allowable against tax and can be made by you or even an employer as there is no longer any prohibition on associated party transactions. The benefit of this option is that the assets remain within your control but are sheltered against future liability to tax on capital gains or rental income. In addition up to 40% tax relief on the contribution could be obtained.

Please note that the usual contributions limit will continue to apply, so personal contributions are limited to 100% of salary/ self employed earnings.

It is also possible that stamp duty and capital gains tax could apply on the “disposal” of the asset to your **SIPP**, depending on your circumstances. BDO Stoy Hayward can offer advice on potential savings.

**Be aware, not all SIPP providers have “in specie” contributions, BDO Stoy Hayward have a panel of suitable providers specializing in this area.**

For those without existing assets to contribute, cash contributions can also be made.



## Contributing a Property

Mr & Mrs P own a commercial property jointly valued at £250,000. The property was purchased for this amount a few years ago and the value is currently showing no Capital Gain.

Mr P is a high earner with approximately £200,000 of earnings in the current tax year. He would like to consider contributing his share of the property as an “*in specie*” pension contribution. This would work in practice as follows:

	£
Mr P's 50% share of Contribution of Property	125,000
Basic Rate of Tax Relief reclaimed by SIPP	31,250
Gross Contributions	156,250
Higher Rate of Tax Relief reclaimed via Tax Return	31,250
<b>Total Tax Saving</b>	<b>62,500</b>

As you see from the above example the **SIPP** is able to reclaim tax relief of £31,250 & further £31,250 is deducted from Mr P's January tax payment.

Furthermore any future rent or growth of the property will be sheltered from income & capital gains tax respectively.

**Please note that properties of a higher value can also be contributed with existing bank debt, subject to bank approval.**

## Who should I contact?

For further information, please speak to a member of the Wealth Management team on 028 9043 9009 or email:

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Whilst every care and attention has been taken to ensure the accuracy of this information, it is intended for general guidance only. Please call us if you would like specific advice on any matter.

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