

## Press Release

### Proposal to reduce ASP tax on death

12th March 2009

Two of the most controversial areas of debate in the run up to April 2006 were the tax treatment of residual Alternatively Secured Pension funds on death and the proposal to allow pension schemes to invest in residential property.

Political parties are in the throes of developing their manifestos for an election that is less than 15 months away. Now is the perfect time to open up the debate on these two key issues.

Andy Bell, Chief Executive and Actuary at A J Bell is once again fronting a campaign to explore the arguments for change. Bell has written open letters to Alistair Darling and George Osborne explaining the benefits of holding UK residential property in a pension scheme and the need for a reduction in the tax charge on residual ASP funds on death. Copies of both letters are attached.

A J Bell today calls for all party support to urgently review the ASP death benefit rules and to reduce the tax on lump payments on death in ASP from 82% to 55%. These rules only apply to those aged 75 or over.

Bell says, "The current system is both unfair and administratively unwieldy. It involves interaction with the deceased member's estate which can be time consuming and costly. Our proposals will vastly speed up the time to make payment."

Bell continues, "Pension savers are flocking in their droves to overseas pensions schemes. It was inevitable that such a penal tax regime would distort behaviour. There are now over 1,800 overseas pension schemes registered with HMRC, this registration allowing them to accept transfers from UK pension schemes."

A J Bell today also seeks support to reconsider the decision not to allow SIPPs to invest in UK residential property.

Bell continues, "Allowing SIPPs to invest in UK residential property would provide a huge boost to the UK housing market and help bring back confidence to a severely battered sector."

"We publicly supported the government's u-turn on this issue in December 2005. The original proposals were ill-conceived and ill-timed, however a properly thought out policy will give a much needed boost to the whole economy."

A J Bell plan to make public the responses received from both political parties.

**END**

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**Please note this document is intended for trade and national press individuals.**

#### Notes for Editors

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A J Bell is the UK's largest privately owned SIPP provider and is continuing to grow rapidly in challenging capital markets. Invesco Perpetual and Midas Capital own 23% and 15% respectively of the share capital, the remainder being owned by Andy Bell and the management team.

Established in 1995, A J Bell specialises in providing administration, trustee and actuarial services for SIPP and SSAS.

A J Bell is now one of the largest SIPP trustee and administrators in the UK with in excess of 32,000\* individual SIPPs and assets under administration exceeding £8bn\*. It provides third party SIPP administration services for Barclays Stockbrokers, Halifax Share Dealing, Skandia and E\*Trade.

Recent research by CoreData Research placed SIPPcentre as one of the two most preferred SIPPs.

A J Bell has won an array of prestigious industry awards recognising our reputation for leading products and services. A J Bell products include SIPPcentre, Sipdeal, Sipdealxtra, A J Bell Platinum and A J Bell Securities.

\*As at 30th September 2008.



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