

embark pensions

For Professional Advisers Only

CLIENT SCENARIO

CHARLOTTE EXPANDS HER BUSINESS

Establishing an Embark Option SIPP, allows Charlotte to access discretionary fund management services and futureproofs her business growth strategy as she can switch to our Full SIPP at a later date to invest in commercial property.

Self-Invested Personal Pension (SIPP)

- For individuals looking to build and control their pension fund investments.
- Tax efficient environment for investment.
- Flexibility provides facility to switch between our Option SIPP and Full SIPP.
- Benefits can be taken in stages and not all at the same time.
- Comprehensive, flexible benefit options enable retirement income to be phased.
- Provides flexi-access drawdown and uncrystallised funds pension lump sum.
- Specialist teams deal with all areas of your pension administration.

About Charlotte and her requirements:

- **Self-employed woman changing employment status.**
- **Requires more control over her existing pension fund wealth.**
- **Wishes to consolidate her pension funds into a single investment.**
- **Wishes to utilise greater investment flexibility at a later date.**
- **Longer term, looking to finance the purchase of an industrial unit.**

Transfers

Personal Pension Plan A	£80,000
Personal Pension Plan B	£27,000
Personal Pension Plan C	£12,000
Total	**£119,000**

Funding

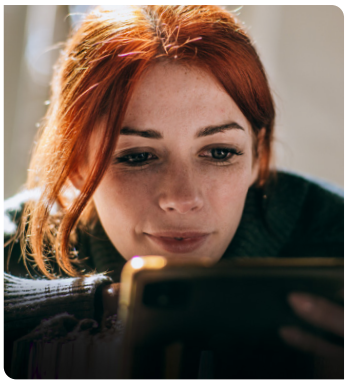
Transfers A, B and C	£119,000
Borrowing	£59,500
Total	**£178,500**

Property investment

Property	£145,000
VAT @ 20%	£29,000*
Fees and disbursements	£7,000
Total funds required	**£181,000**

* VAT is reclaimed

Financing is insufficient at establishment to purchase the property.



MEET CHARLOTTE...

Charlotte Hebridge set up a small business as a landscape gardener working on a self-employed basis twelve years ago. She enjoys the outdoor life but is very poor at keeping records and relies heavily on her boyfriend Joe to keep her financial paperwork and ordering of stock up-to-date. They have plans to get married and expand the business next year.

Charlotte has several personal pensions with various pension providers, but has long term plans to purchase a commercial property from which to operate her business. She is advised to establish an **Option SIPP**, which will provide her with the chance of consolidating her existing pension funds into one arrangement. Use of a discretionary fund management arrangement for the investment will allow the diversity of assets she is looking for and will cater for the level of investment risk she requires. Regular contributions can continue to be maintained and this should increase the value of the fund over the coming years.

Charlotte has managed to obtain a contract that should last for four years to provide gardening services for a large residential agency, belonging to her long-term friend Ali. There is the promise of further contracts at a later date, for other sites, if she is successful at providing a good service.

When speaking to a financial adviser Charlotte outlines her aspirations to expand the business and establish a company, which she would run with Joe. The guaranteed income from the contract will help reduce the risk of such a venture. As Charlotte has little working capital available, she is advised that she could use her pension fund to purchase a small industrial unit for use as an office and to store her equipment and stock in the near future, provided all goes well.

The type of industrial unit that would meet her requirements is currently valued at around £145,000, plus VAT of £29,000. Other costs associated with a property purchase are estimated to be around £7,000, giving a total cost of £181,000. With an expected rental return of £19,000 per annum, Charlotte's pension fund would benefit from a healthy return. With total transfer values of £119,000 from her existing arrangements, the SIPP, once established could also borrow 50% of the net assets, which at a total of £178,500 is insufficient to fund the purchase at present. Within a few years Charlotte should be able to convert her Option SIPP to a **Full SIPP** and proceed with the property purchase.

An Embark Full SIPP gives those who are reaching the age of retirement and no longer require full investment flexibility the choice to convert back to an Option SIPP.

The flexibility offered by Embark Pensions, suite of products ensures that there is a solution for most scenarios when it comes to providing retirement and death benefits in a tax-efficient manner.

This scenario illustrates some of the features available with Embark Pensions. It is based upon our understanding of current pensions law and taxation and is correct at the time of publishing. Professional advice from a suitably qualified adviser should always be sought when considering retirement planning.

For more information on Embark Pensions' products and services please visit our website **embarkpensions.co.uk**, call **0344 544 0566**, or email **customerservices@embarkpensions.co.uk**.

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Information in this document correct at time of print, January 2026.

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