

Key Features and Benefits The Island Pension PCC Ltd

Seek Independence.



General

The Island Pension PCC Limited (“the Scheme”) is a multi-member personal pension scheme that is regulated by the Guernsey Financial Services Commission and approved by the Guernsey Income Tax Office. It is also designed to be compliant with the UK QNUPS Regulations.

As there may be tax implications for the members in respect of transfers, contributions or benefits, the directors of the Scheme will expect members to have taken personal tax advice and to make this available to the directors before the member can be admitted to the Scheme.

Although the Scheme is a multi-member scheme, each member is allocated an individual cell into which their investments are appropriated. No member will have access to, or rights over any of the investments in any cell other than their own.

Contributions

- ✖ Flexible Contributions – although there is no limit in Guernsey law on the level of contributions, this should form part of the tax advice provided to the member prior to admission to the Scheme;
- ✖ Tax Relief generally available on personal contributions up to £35,000 per annum for Guernsey taxpayers; and
- ✖ Additional Contributions with no monetary limit can be paid into the Scheme, although no tax relief will be granted for contributions in excess of £35,000.

Investments

This Scheme is Member directed. As such, the choice of investments and the responsibility as to the performance is held with the Member. The Directors of the PCC have the power to veto any investment should it impact on the approval of the Scheme or be unlawful. The Member should be mindful of the following when choosing the investments.

Any investment(s) selected should also have regard to the cash flow requirements needed to provide retirement benefits. The Scheme allows investment flexibility with open architecture, however the following are examples of suitable investments:

- ✖ Cash or cash funds;
- ✖ Corporate bonds;
- ✖ Equity investment in any company quoted on a recognised stock exchange;
- ✖ Equity investment in companies not quoted on a recognised stock exchange (subject to certain levels / approvals);
- ✖ Gold bullion, ETFs, REITs; and
- ✖ Purchase of property let on a commercial basis. The Scheme must however own 100% of the property.

New Street Management Limited (“NSML”) are not responsible for making, changing or reviewing any of the investments and is not obliged to take any steps to monitor the investments on your behalf.

It is your responsibility as the Member directing the investments within the Scheme to confirm that the investments made in respect are appropriate in your circumstances.

NSML will have no liability to you the Member to the extent that investments fall or might be considered inappropriate in your circumstances.

We will notify you if there are circumstances in which NSML will be unable to exercise the investment power (such as where an investment proposed is illegal or could prejudice the scheme's approval), those circumstances.

We will also inform you of the circumstances in which you the Member or another person may change the investment basis, or where the investment basis will automatically change.

Gearing

The Scheme cannot borrow money for the purposes of additional investment (i.e. "gearing") except in the case of investment into real property.

Outward Transfer of Benefits

Outward Transfers of Benefits may be made to:

- ✖ another Approved Scheme or an Approved Occupational Pension Scheme or a Statutory Scheme;
- ✖ a pension scheme approved in the United Kingdom, Jersey, the Isle of Man or the Republic of Ireland;
- ✖ other pension schemes outside Guernsey which provide similar benefits (ie schemes which have the same early retirement and retirement lump sum restrictions as an Approved Scheme);
- ✖ Guernsey schemes which are neither Approved Schemes nor Approved Occupational Pension Schemes; and
- ✖ Qualifying Recognised Overseas Pension Schemes.

Inward Transfers of Benefits

Consolidation of other pension arrangements may be made by way of inward transfer of benefits. Care should be taken to the relevant legislation regarding pension transfers in the transferring territory. Additional consideration should be given and advice sought should any of the transferor schemes provide defined benefit. Tax advice should be taken prior to contemplating a consolidation of this nature.

Benefits

Commencement of Benefits:

- ✖ A Member may elect to commence benefits at any time from age 55, or at an earlier age if due to Incapacity or where the Director of Income Tax has agreed an earlier age due to the individual's occupation. Commencement of benefits should not be deferred beyond age 75.
- ✖ Benefits must be taken in pension form. It is not, however, necessary to purchase an annuity from an insurance company an annual pension/annuity may be paid out of the fund itself. The benefit of this being that any remaining value is able to be paid to your heirs on death rather to the insurers. It is important to contact us to discuss such annuity payments prior to commencement of benefits.

The lifespan of a Member of the Scheme, and the investment performance of the assets held in a QNUPS, are impossible to predict. As a result, once a Member has started to draw down benefits from the Scheme and depending on the level of benefits paid the assets may be exhausted before the death of the Member/s. Periodic review of the assets and updated advice is strongly recommended.

Lump Sum Benefits

Retirement Lump Sum

- ✖ A Member who has attained age 55 may commute up to 30% of his Fund Value for a lump sum. Retirement lump sums in excess of a specific limit may be subject to income tax.

Triviality and 100% lump sums payments

- ✖ Where the Fund Value is Trivial in amount or the Fund Value in respect of a spouse's, child's or Dependant's pension is Trivial in amount or retirement is due to serious ill health the entire Fund Value may be paid as a lump sum. It is permissible to commute a Fund Value which is Trivial in amount at any age.

Death Benefits

Death before Commencement of Benefits

The following benefits may be provided:-

- a lump sum (tax free) of up to the amount of the Member's Fund Value at the date of death; plus
- an annuity payable to the Member's spouse, children or Dependents derived from the Member's remaining Fund Value. This annuity will be taxable according to the recipient's personal circumstances.

Death after Commencement of Benefits:

An annuity payable to the Member's spouse, children or dependants with the aggregate of such pensions not exceeding 100% of the pension which could have been provided for the Member had he not commuted any annuity for a lump sum may be provided. Alternatively, it is acceptable to wind up a Scheme, or the Member's share of the Scheme.

Taxation of Benefit

Payments of benefits will be made after deduction of Guernsey income tax at 20% unless the member or recipient is not and never has been Guernsey tax resident, in which case the payment may be made without deduction of Guernsey tax. UK income tax may be due if you are UK resident at the time of drawing

Termination of your Pension

Once all benefits are paid, and subject to settlement of all costs, charges and expenses properly incurred, or you have transferred your benefit to a different retirement scheme, your contract will cease. If there is a fund left after all Member entitlements have been met the Company shall transfer the funds to such charity as it shall in its absolute discretion determine.

Full details of all benefits, features and provisions of the Scheme can be found in the Offer Letter.

Tax Advice

This document is provided for information only and cannot be taken as tax advice. As mentioned in the General Section, the directors will expect each proposed member to have taken their own tax advice before admission to the Scheme.

Pension advice and investment planning

NSML do not give pension advice or advice on investments. As such the Scheme provided by NSML is intended for sophisticated investors only. If you are at all unsure as to the suitability of this structure or the proposed investment strategy, you should speak to a suitably qualified pension or investment advisor as appropriate and inform your contact at NSML immediately.

Costs

NSML provide administrative services to the Scheme in accordance with an administration agreement between NSML and the Island Pension PCC Limited. The costs applied to each member are set out in the Fee Schedule contained within the Application Pack and will be deducted directly from your investment fund quarterly in advance in accordance with the with the agreement.

Complaints Resolution Policy

NSML takes all complaints extremely seriously. Any complaints should be directed in writing in the first instance to your Client Relationship Director. NSML will acknowledge any complaint within five (5) business days of receipt and will respond in accordance with their Complaints Procedure.

NSML implements the CIFO Model Procedure. This is the Model complaint-handling procedure for financial services providers, published by the Channel Islands Financial Ombudsman and available at <https://www.ci-fo.org/>.

If you are not satisfied with our final response to your complaint, you can refer your complaint to the Channel Islands Financial Ombudsman (CIFO).

You can contact CIFO at:

Channel Islands Financial Ombudsman (CIFO)
PO Box 114
Jersey, Channel Islands
JE4 9QG

Email:	enquiries@ci-fo.org
Website:	www.ci-fo.org
Jersey local phone:	01534 7485610
Guernsey local phone:	01481 722218
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