



INTERNATIONAL PENSIONS GUIDE



Please note that the objective of this guide is to give you a general level of assistance and information.

Our more than 40 years of experience has shown us that every individual situation, personal or corporate is different and benefits from professional review.

Whilst this general guide will help you, very often your requested guide and the subject matter are linked to other financial matters.



We can best help your present and future finances, investments & tax planning by reviewing all of these matters with you in confidence.

For a completely non-obligation consultation without charge, please call or email us to arrange to speak to one of our Financial Consultants.

Email: enquiries@prycewarner.com

Please call one of the numbers below

London-UK: +44 (0)203 5880 442

Monte Carlo-Monaco: +377 97 97 29 22

Brussels-Belgium: +32 (0)2 403 6510

Paris-France: +33 (0)1 39 73 87 66



Speak to Us about International Pensions



We hope you find our guide informative and that it highlights some of the vast financial planning opportunities available to you when planning your pension. The guide is intentionally generic and therefore individual questions may arise that you would like answers to. If at anytime you would likemore detailed information please e-mail us at enquiries@prycewarner.com or complete our enquiry form at the end of this brochure.

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International Group

Start a Portable Pension Plan that Provides Reliable Growth & Returns

In order to ensure that your retirement years are properly provided for, it is vital that you bear in mind the following:

- ❖ Are your Health and Care Needs in Retirement Provided for?
- ❖ Bearing in mind the above, have you properly calculated your income requirements for your retirement years?
- ❖ It is Never too Early to Start a Pension Plan
- ❖ How well are Your Pension Assets Being Managed?
- ❖ Is Your Pension Pot On Track to Meet Your Needs?

Due to the nature of their work and lifestyle, Expats often need tailor made International Pensions that are fully portable from country to country.

Over the past 40 years, we have helped thousands of Expats make the most of their Retirement Years thanks to our comprehensive approach to International Pension Planning.

We can offer a range of pension products to suit your personal needs.

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Our International Pension Service

Our principal International Pension Plans come in three forms:

- International Pension Plan
- QROPS
- QNUPS

QROPS are Qualified Recognised Overseas Pension Schemes, and QNUPS are Qualifying Non-UK Pension Schemes. Both of these are HMRC approved pension products.

We choose to provide our three types of Pension Plans through these jurisdictions as they have the highest levels of security and regulation.

Our three types of pension plan structures have distinct differences and we will be able to advise you which structures are suitable to your needs depending upon your personal circumstances.

The three types of pension plans are not mutually exclusive, it is possible for a single individual to have a need for each of these pension plans, dependent upon their personal needs.

International Pension Plan (Contributory) is offered through our Guernsey Trustees.

QROPS are offered through our Malta, Gibraltar & The Isle of Man Trustees.

QNUPS are offered through our Guernsey & Isle of Man Trustees.

International Pensions Plan

Our International Pension Plan is a contributory plan and is specifically designed for Expats that need a portable pension that can move with them from country to country. Expats that have assets in more than one country can also significantly benefit from an International Pension.

Many expats find that for one reason or another the building up of their pension is their personal responsibility and is not something that is provided by their employer. We are able to help you structure your own personal pension plan by means of lump sum contributions as well as regular pension plan contributions.

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Planning for retirement can be complicated, especially as an Expatriate. Let us remove the stress and strain and allow you to enjoy your retirement in full. We have extensive knowledge and experience of Expat retirement planning and can help ensure that your retirement is well planned for and that your retirement assets are professionally managed allowing you to enjoy a stress-free retirement. The quality of investments and choice of investments as well as the manner in which they are managed will have a direct effect on the amount which will be available to you on your retirement.

We use a strategy of Global & Currency Diversification which gives high levels of security in conjunction with solid growth of pension plans assets.

Many pension plans are influenced by the government policies of the pension plan holders home country. This does not apply to an International Pension Plan structure with the result that the growth of international pension plans assets have historically significantly out-performed other types of pension plans.

International Pension Plan Benefits

- ❖ International Portability
- ❖ Global & Currency Diversification
- ❖ Plan denominated in the currency of your choice
- ❖ Comprehensive individual control
- ❖ Your personally assigned pension plan advisor
- ❖ Choice to individually select the investments in the plan in conjunction with your pension plan advisor
- ❖ Ability to view your pension plan performance & investments 24/7

The benefits listed above are also applicable to both QROPS and QNUPS Overseas Pensions.

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QROPS

In April 2006 it was announced that British expatriates could move their pension benefits to a QROPS with the UK revenues approval.

A QROPS is a pension scheme set up outside the UK that:

Is regulated as a pensions scheme in the country in which it was established.

Must be recognised for tax purposes in the country that the QROPS is established.

A QROPS scheme may however, while complying with the above, be established in a country that taxes pensions at a minimal rate.

The real benefits come into play when you have been away from the UK for at least 10 years and do not intend to return for at least the foreseeable future. Once your pension schemes have been transferred into a QROPS, and you have been non-resident in the UK for at least 10 years, then the overseas QROPS provider no longer has to report any withdrawals or payments to the HMRC. If the QROPS provider is in a country where payments from such schemes are more tax efficient then payments can be made to you at minimal rates of tax (although you may be liable to tax on the income dependent on your country of residence at the time of receipt).

After you have been overseas for at least 10 tax years, the QROPS pension fund becomes subject only to the laws of the relevant overseas jurisdiction, and the requirement to purchase an annuity by age 75 (or be faced with a possible 82% tax charge) is no longer applicable. The normal UK minimum pension age will still normally apply of 50 / 55 before benefits can be taken. QROPS arrangements can offer considerably more flexibility, greater income potential and more investment freedom than a UK pension. And with the right advice the tax benefits can be immense.

QROPS Benefits

- No need to EVER purchase an annuity or pay UK tax charge upon death.
- Leave ALL unused pension funds to your beneficiaries.
- Much greater investment freedom.
- Tax free lump sum of up to 25%, 30% if resident outside the UK for over 5 years
- Onshore / offshore funds, highest fixed deposit rates, total diversification.
- Take income from your pension in a much more tax efficient way.
- Take income and benefits in currency of your choice.
- Protection against possible future creditors. (depending on QROPS jurisdiction).
- Greater confidentiality

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QNUPS

Qualifying Non-UK Pension Schemes were introduced by the UK Government on the 15th February 2010 to correct an ambiguity in earlier legislation. The initial intention was to exempt a pension fund from IHT on the death of a pension member if no lump sum or other payment was drawn down from the pension fund, but the law was unambiguous.

HMRC confirmed this was an error and legislation was updated in the Finance Act 2008, followed by The Inheritance Tax (Qualifying Non - UK Pension Schemes) Regulations 2010.

These rules explained exactly which pensions are exempt from IHT - and introduced QNUPS.

As QNUPS are not UK registered pension schemes different rules may apply to the investments held within the fund and terms relating to the drawdowns. They provide a highly flexible pension structure, which acts as an additional pension scheme.

QNUPS are available by both those who are U.K. domiciled whether U.K. resident or not. Although QNUPS can help to minimise or eliminate inheritance tax, they must be used as a genuine pension plan and are not tax avoidance schemes.

QNUPS Benefits

- ❖ Available to UK resident/domicile and non-resident members.
- ❖ Plan proceeds paid out gross and not liable to Guernsey Tax* or UK Inheritance Tax whether UK domicile or deemed UK domicile.
- ❖ UK, S58(1) (d) IHTA compliant and such settled property is not deemed “relevant property” for IHT purposes therefore not liable to the normal Inheritance Tax Discretionary trust charges (periodic or exit).
- ❖ Discretion over distribution of residual fund upon death of member.
- ❖ Greater flexibility on drawing benefits.
- ❖ Assets held in plan grow free of taxation-except for withholding taxes.
- ❖ Loans may be made to the members, up to 30% of the value of the pension fund, as long as they are under commercial terms. Upon retirement, if a loan has not been taken, then a lump sum of up to 30% may be taken then, which would be tax free in the UK.
- ❖ There is no upper limit on how much you can contribute into QNUPS; this may be of particular interest to higher rate taxpayers.
- ❖ You can invest in a QNUPS irrespective of age. You can continue to invest even after you have retired.

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- ❖ There is a greater flexibility on paying into a scheme. You do not need to receive an income directly from employment to allow you to make a contribution.
- ❖ QNUPS potentially avoids local inheritance tax and forced heirship laws, giving you complete control over how you wish to disseminate your estate.
- ❖ QNUPS cannot contain a principal residence, but potential assets can typically include, cars, commercial and residential property, land, works of art and even cash.
- ❖ QNUPS can be a highly efficient asset & investment planning structure.

*Unless you become a Guernsey resident tax payer

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FAQs



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How will any benefits or withdrawals be taxed?

Most of the schemes we recommend are at a minimum rate of tax. The tax treatment of any income you receive will depend upon where you are tax resident at the time.

What will happen to my QROPS pension fund upon my death?

Any funds remaining upon death of the individual will be paid to those nominated by you as beneficiaries. Dependent on your personal circumstances, significant tax planning opportunities may be possible.

I have a UK SIPP and I have drawn an income, can I benefit?

A QROPS can be used to receive transfer values from any UK registered pension scheme (other than annuities and with some UK occupational pensions) even where benefits have been taken. It may still be beneficial to transfer to a QROPS if you are non-UK resident and intend to remain so for the long-term.

How long will a transfer to a QROPS take?

Most transfers can take 1-2 months. The process is initiated by you completing a letter of authority enabling your adviser to get information from your pension provider of current benefits and a transfer value. This is not binding in any way and will only allow the adviser to receive details of the pension scheme you have.

Can I transfer the funds and assets in my UK scheme or do I have to liquidate them into cash?

This will depend on the pension provider you have and the assets that you hold. Generally a transfer will be quicker if converted into cash. Speak to one of our recommended advisers with a list of your holdings for further advice.

What are the key facts to look for in a good QROPS?

Strong investor protection from a well established jurisdiction similar to the UK, investor protection, transparency of charges and tax efficiency.

My pension fund is substantial, what tax implications may there be?

A transfer to a QROPS will be a benefit crystallisation and therefore will give rise to a tax charge if the amount exceeds the lifetime allowance (currently £1.6 million in 2007/2008 tax year). If your fund is in excess of this amount then please contact us for specialist advice.

What Assets can be transferred into a QNUPS?

QNUPS are notably flexible in terms of asset transfer. Anything from shares, equity investments, commercial and residential property, land, works of art and even cash can be transferred into a QNUPS.

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Are there any circumstances in which I shouldn't transfer to a QROPS?

Yes there are, although in most situations we have come across so far, as long as you are non UK resident and intend to remain so for a total of at least 10 years the benefits to you can be immense. If you have guaranteed annuity rates set many years ago when interest rates were much higher, this would be one such situation that would need careful consideration and advice.

Can I organise a QROPS myself?

No. QROPS providers will only take pension transfers through their appointed intermediaries.

How will a QNUPS affect my retirement?

It is possible to retire at 55 with the requirement that you start drawing an annuity or drawdown before the age of 75. There are many ways this income can be taken as long as 70% of the fund is available for income. You can continue to contribute assets over the age of 75.

Do I have to Pay IHT on a QNUPS?

QNUPS are based outside the U.K. and as long as you meet the qualifying criteria, you do not need to pay any UK based IHT on a QNUPS.

Is there a limit to QNUPS contributions?

No, you are free to contribute as much as you are able to into a QNUPS. There is no maximum no minimum limit for contributions to a QNUPS.

What are the investment benefits?

QNUPS fund managers have more freedom than those of other pension schemes due to breadth of assets QNUPS allow. This in turn allows a broader range of investment opportunities to arise from a QNUPS.

Are QNUPS available worldwide?

Yes, with some reservations depending upon personal circumstances & certain geographic locations.

What happens upon Retirement (QNUPS)?

Generally you can retire at the age of 55 and you must commence drawing an annuity or income drawdown before the age of 75 years. There is considerable flexibility in how this income can be taken, but 70% of the pension fund must be available to provide an income. Assets can however be contributed after the age of 75.

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Costs

QROPS

- Initial set-up Fee £750
- Annual Trustee Administration Fee £750
- Termination of QROPS or Transfer-Out Fee £2000

QNUPS

- Initial set-up fee £1250 (min)
- Annual Trustee Administration Fee £1250 (min)

Further Info & Advice

QROPS & QNUPS are not right for everybody. However, in more cases than not they can be significantly beneficial, especially when constructed with careful and expert guidance.

Each of the expatriates or people leaving the UK that we and our providers have helped take control of their pensions, has a unique financial situation. There may be other financial assets, liabilities and IHT issues to take into consideration.

Next Step

Pryce Warner International can address the specific benefits relating to your own personal circumstances and assess whether you could benefit from starting an International Pension.

Please contact Pryce Warner International Group regarding procedures.

We can then arrange a confidential discussion to ascertain the best investment option most appropriate to your personal situation.

Either complete an enquiry form on our website:

<http://www.prycewarner.com/pg-application-forms-196.html>

Or e-mail enquiries@prycewarner.com, or call us on:

London-UK:	+44 (0)203 5880 442
Monte Carlo-Monaco:	+377 97 97 29 22
Brussels-Belgium:	+32 (0)2 403 6510
Paris-France:	+33 (0)1 39 73 87 66

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Letter of Authority

International Pension Guide,

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Paris-France: +33 (0)1 39 73 87 66

APPENDIX 1

Name

D.O.B.

Policy no(s)

NI number

Name of pension scheme

Date

Dear Sir,

I am writing to inform you that I wish Pryce Warner International Group Ltd or their designated pension plan trustees to receive information about the pension arrangements detailed above.

Please provide them with any information.

Yours faithfully,

Policy Holder(s) name and signature

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Printable Enquiry Form

APPENDIX 2



PRYCE WARNER
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For further contact with us about International Pensions, you may of course contact us by printing and completing the form below and then faxing or posting it to us at:

Pryce Warner International Group,
BP 60873
41 Blvd de La Paix
78108 St. Germain en Laye
FRANCE

Fax: +377 97 97 29 25

London-UK: +44 (0)203 5880 442
Monte Carlo-Monaco: +377 97 97 29 22
Brussels-Belgium: +32 (0)2 403 6510
Paris-France: +33 (0)1 39 73 87 66

Full Name

Daytime Phone Number
(incl. international dialling code)

Mobile Phone Number
(incl. international dialling code)

Email address

Country of residence

Approx amount of other investable assets

Approx. value of pension fund

Comments / Notes

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