



The Rainbow Overseas Retirement Plan Key Features Document

A Qualifying Recognised Overseas Pension Scheme for UK pension scheme transfers for non UK residents.

'Trusted Advisers in the long term management of your wealth'

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Key Features

The Rainbow Overseas Retirement Plan (“TRORP”) is provided by Fiduciary Wealth Management Ltd (FWML) the specialist private wealth division of the Fiduciary Group of companies which has been operating in Gibraltar since 1982. The Trustees are Carey Pensions and Benefits Ltd. The TRORP is approved under section 157a of the Income tax Guernsey Law 1975 and it has been granted Qualified Recognised Overseas Pension Scheme (QROPS) status by Her Majesty’s Revenue and Customs (HMRC) number [502563]. The scheme is based in Guernsey.

The Trustees

The Trustees are Carey Pensions and Benefits Ltd, a subsidiary company of the Carey Group. The Carey Group is a series of financial services boutiques established in the financial centres of Guernsey, Cyprus, Geneva, Luxembourg, Monaco and Zurich. Each boutique employs multi-lingual professional teams that provide technical support and administration services to commercial and institutional businesses and organisations, pensions and employee benefits and international private clients. Services include the formation of trusts and companies in various jurisdictions, the setting up and administration of personal pensions and employee benefit trusts or share option plans.

What is a QROPS?

On the 6th of April 2006, otherwise known as “A Day,” Her Majesty’s Revenue and Customs (“HMRC”) announced that individuals with UK pension rights who have or intend to become non-UK tax residents could move their pension benefits out of the UK into a QROPS with prior HMRC approval.

Who qualifies for QROPS?

UK residents who are planning to leave the UK.

UK ex-residents who are already living overseas.

Internationally mobile employees who plan to live and work overseas.

What are the key benefits of a QROPS?

- Tax free transfer subject to a lifetime allowance cap of £1.65m in 2009/10 and £1.8M in 2010/11.
- Tax free growth for non-Guernsey residents.
- Freedom of investment choice. A wide range of investment opportunities are available within a QROPS.
- Currency choice. QROPS can be established in Sterling or Euros thereby removing the currency issue from your pension at the point of transfer.
- No need to purchase an annuity. Therefore, unlike an annuity the remaining scheme assets can be bequeathed to the surviving spouse on death.
- Estate planning simplification as remaining scheme assets can be passed on to heirs without the need for probate.
- Possibility to consolidate various pensions into one pot.
- No tax deducted on withdrawals from the Guernsey based pension scheme however applicants should note that tax may be payable on the receipt of benefits in their country of residence and should take appropriate tax advice.
- At retirement up to 25% of the pension assets may be withdrawn as a tax free lump sum (subject to HMRC lifetime allowance limits).
- Loan facility available of up to 25% of trust assets on commercial terms.

Frequently Asked Questions

What is the normal retirement date?

Normal Retirement Age (NRA) for scheme members who join before 5th April 2010 is 50 years and 55 years for those joining after this date.

Is there inheritance tax for my beneficiaries?

No. As this is a Guernsey based scheme UK IHT does not apply provided that you remain non-UK domiciled.

Is there tax deducted at source on payments to me?

No tax is deducted on withdrawals (as the QROPS falls outside the UK tax net), however applicants should note that tax may be payable on the receipt of benefits in their country of residence and should take appropriate tax advice.

Where can I invest?

The Rainbow Overseas Retirement Plan does not impose any investment restrictions and provides total flexibility to invest into a wide range of investments including cash, bonds, equities, investment funds, hedge funds, life insurance, structured products and even real estate (but non-standard investments such as properties involves a lot more work therefore pension administration costs will be higher.) All investments are subject to Trustee/Investment Manager approval.

Is it a necessity to report distributions to HMRC?

No, on condition you have been a non resident of the UK for five years.

Why choose Guernsey?

Guernsey is a reputable, well regulated and politically stable jurisdiction with good communications, excellent infrastructure and access to professional services firms that specialise in pension administration and trustee services.

What are the Guernsey taxes on the Scheme?

Guernsey has its own pension legislation in place and a very favourable tax regime. For non-Guernsey residents the pension may grow free from income tax, capital gains tax and inheritance tax (members who are resident in Guernsey may be subject to Guernsey income tax)

Is the Protected Rights element of a UK pension accepted for transfers?

Yes, subject to completion of the appropriate HMRC documentation.

Can you transfer a UK state pension into a QROPS?

No. But most other types of pension funds can be moved including personal pensions, preserved benefits from a final salary scheme, money purchase schemes and FURBS. However, you cannot transfer an annuity that you have already purchased or a final salary scheme in payment. We strongly recommend that all applicants take independent financial and tax advice on this matter to ensure a transfer into a QROPS is suitable.

Is QROPS open to everyone?

A QROPS is not open to UK resident individuals and there may be restrictions on participation for certain countries (e.g. the U.S.A.)

What are the costs?

The costs are as follows:

Establishment Fee (including standard tax advice)

£5,000 (£2,500 payable at outset and £2,500 on application)

Trustee, Administration and Portfolio Advisory Fees (payable annually in advance)

Assets up to £500,000 1.5% (subject to a minimum of £3,750 per annum)

Assets from £500,000 to £1,000,000 1.375% per annum

Assets over £1,000,000 1.25% per annum

The annual fees listed above represent "our standard charging structure" but these may be open to negotiation dependent on the size of the investment

Other Costs

The custodian bank holding your assets will charge for custody and execution etc.

This document should be read in conjunction with all the other account opening documents and legal agreements

Cancellation Rights

There is no official cooling off period and no cancellation rights apply to The Rainbow Overseas Retirement Plan. However, the following will apply once an application has been made:

If you revoke your application prior to funds being received by the trustees, Carey Pensions and Benefits Limited we will refund £2,500 of the initial fee of £5,000. The balance will be retained to cover the cost of initial financial and tax advice.

Once the funds have been received by the Trustees and the Qrops is in place the establishment fee and the annual fees due would be retained.

PLEASE NOTE THAT FIDUCIARY WEALTH MANAGEMENT, AS THE QROPS PROVIDER, IS NOT IN A POSITION TO PROVIDE "INDEPENDENT" FINANCIAL ADVICE ON SUITABILITY OF PENSION TRANSFER AND WOULD STRONGLY RECOMMEND YOU SEEK SUCH ADVICE BEFORE INSTRUCTING US TO ACT ON YOUR BEHALF.

Contact Details

Fiduciary Wealth Management Ltd

Portland House, Glacis Road,
PO Box 475, Gibraltar Tel +350 200 50982
Fax +350 200 46496 email:
wealth@fiduciarygroup.com
www.fiduciarywealth.eu
Regulated by the Gibraltar Financial Services
Commission License No. FSC00962b

Trustee Contact Details

Clive Davison Carey Pensions and Benefits Limited

PO Box 285 1st and 2nd Floors Elizabeth
House Guernsey Channel Islands GY1 4LX
Telephone: +44 (0)1481 700300 Facsimile:
+44 (0)1481 711220 E-Mail:
info@careygroup.gg Or:
clive.davison@careygroup.gg
www.careygroup.gg