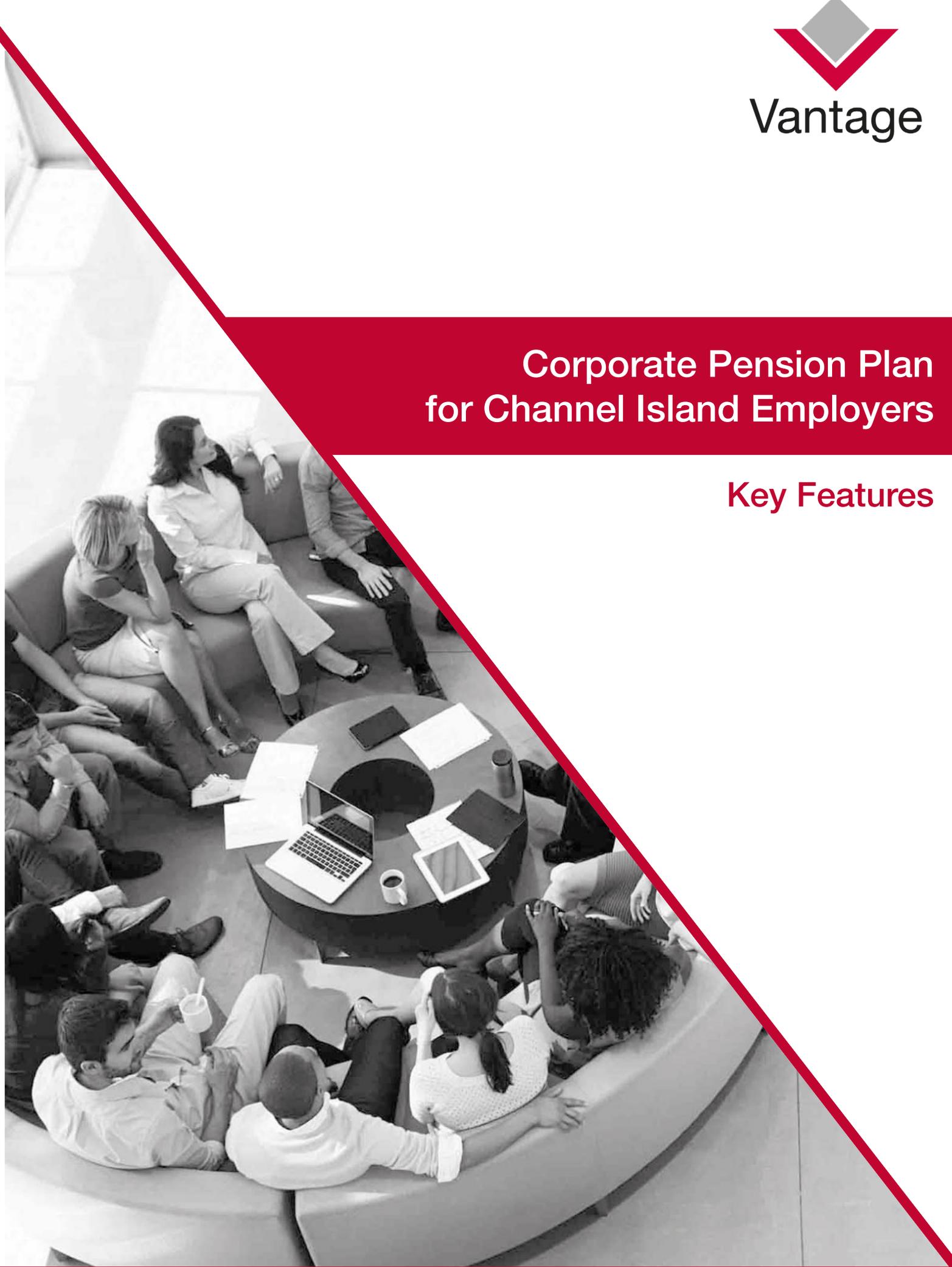




Corporate Pension Plan for Channel Island Employers

Key Features



Corporate Pension Plan

A Vantage Corporate Pension Plan is a flexible and cost effective corporate pension scheme which enables an employer to provide retirement planning benefits for its employees, and for the members to invest their pension fund assets in a wide range of investments (as determined by the Trustee of the Scheme).

In today's competitive marketplace employee benefits have emerged as essential tools used by companies to attract, incentivise and retain key staff.

As a leading pension provider, we understand the need for a comprehensive, cost effective benefit package without creating additional pressures for employers and their HR departments.

Each company is unique, as is their Corporate Pension. Our bespoke financial solutions offer flexibility throughout, and can be adapted to any changes in circumstances that may arise in your organisation or as a result of any legislative requirements. Our Corporate Pension Plan is available to both Jersey and Guernsey employers who wish to provide a company pension plan for their employees.

Suitable for both financial services and non-financial services employers, it is also flexible enough to offer retirement planning solutions for employing entities of variable sizes.

Key Benefits of the Vantage Corporate Pension Plan

- Provides a secure vehicle for employee retirement saving with assets held in trust for the members' benefit.
- Enables access to investment strategies, many of which have been proven to out-perform the traditional, or historic, insurer provided company pensions fund investments.
- A complete service provision - from the initial scheme establishment, provision of the trust deed, execution, arrangement and management of the local taxation approval process. The collection and investment of contributions, as well as the arrangement of member investment switching, and the provision of member documentation/ handbooks.
- Accepts employer and/or employee contributions Ability for employees to pay additional voluntary contributions (via lump sums or regular contributions).
- Management of scheme leaver process as well as the retirement phase, providing a "cradle to grave" service.
- Ability for employees to transfer in pension entitlements accrued in other pension schemes (subject to necessary approval) to consolidate their pension plans.
- Option for employers to determine "vesting periods", thus enabling the recovery of contributions for premature leavers.
- Life styling strategies are available – allowing the automatic switch between investment funds appropriate for the members age.
- Ability to include employer provided death in service benefits and protection for the employees dependants within the plan.
- Flexible and bespoke – one size does not fit all. We work with the company to produce the most appropriate scheme for a company's requirements.
- Option as the scheme trustees – Vantage can provide this service, or the employer can act as trustees of their company plan.
- "Open architecture" investment choices. Some pension schemes restrict the choice of investments for members or require investment in certain pre-determined selection of funds.

Frequently Asked Questions

What is a Corporate Pension Plan?

The Vantage Corporate Pension Plan is a company pension scheme designed to provide for the retirement planning for the company's employees. Sometimes referred to as a "defined contribution" or "money purchase" pension, the plan permits both employer and employee contributions and offers a wide range of investment options.

Why would an employer arrange a Corporate Pension Plan?

It is widely recognised that the cost of retirement is increasing and many will struggle to survive on a standard State pension. An employer may look to arrange a company pension scheme as an added employee benefit for its staff to allow them to provide for their retirement.

What are the benefits to the employer?

A Vantage Corporate Pension Plan can provide a way to reward, incentivise and retain employees or to remain competitive when attempting to recruit additional staff. They are easy to establish and are cost effective vehicles to run. There is flexibility of contribution rates, dependant on age grade and seniority, and the ability for employer / employee matching of contributions with no limit on the contributions that can be made in respect of an employee (subject to overall benefit limited as stipulated by Income Tax). The scheme is managed by a professional service provider with all enquiries and processing handled by a dedicated relationship team allowing the employer to concentrate their efforts in other areas of the business.

What are the benefits for the employee?

Provision of an employer arranged vehicle to assist in their retirement planning. A simple, easy to understand pension plan with full flexibility. Members can pay in contributions, start, stop or increase their pension savings at anytime (subject to any restriction laid down by their employer). Members receive full tax relief on their contributions they make into the plan (subject to the maximum allowance), and have the option to consolidate other pension entitlements into their employers plan. They may self select from the range of investments provided, thereby taking control of their own retirement savings.

What are the tax implications?

If the employee makes their own contributions into the plan (as well as the employer) these "additional voluntary contributions" or "AVCs" benefit from tax relief at 20% (subject to the maximum allowance permitted by the Comptroller of Income Tax).

What can the contributions be invested in?

The investment selection is usually stipulated by the employer and approved by the trustees of the scheme. A Vantage Corporate Pension Plan can offer a wider range of investment choices than a "traditional" insurer provided company pension plan. It is recommended that independent advice is sought about the investment strategies provided. The recognised areas of investment include cash deposits, securities or financial instruments traded on a recognised stock exchange, and units in collective investment funds.

What happens if an employee leaves the company?

The employee has, subject to the scheme rules, a number of options. They can leave their pension fund within the company plan until retirement, becoming a "deferred member", whereupon their pension fund will continue to be invested and they will receive an annual statement advising the pension value. They can transfer their pension value into a new personal plan - a Retirement Trust Scheme ("RTS"). Or, if the scheme permits, they can transfer their fund into the new employer's Corporate Pension plan. It is recommended that independent advice is sought about these options.

When can the benefits be provided?

The age at which benefits may be taken can be specified in the scheme trust deed, and usually stipulate that the member can receive benefits upon reaching retirement (age 60 or 65).

What are the options at retirement?

The Corporate Pension Plan offers choice and flexibility. The benefits may be paid out as a lump sum, or paid by the trustees as income withdrawal, or as an annuity. It is recommended that independent professional advice be taken to agree what is best for the member's own personal circumstances at that time.

What happens if a scheme member dies pre-retirement?

If a scheme member dies before reaching their agreed retirement age, the trustees will realise the pension fund and the value will be paid for the benefit of the member's nominated beneficiaries or their estate. The member can nominate their beneficiaries when the Corporate Pension Plan is established and may update their wishes during their lifetime.

Frequently Asked Questions

What happens if the employer is sold or goes into liquidation?

If the employing company is sold to another party then the Vantage Corporate Pension Plan can continue (subject to the new owner's approval). If the new company choose not to continue funding into the Vantage Corporate Pension Plan then it can remain in operation and the member and trustee relationship can continue. If the employing company goes into liquidation then no additional contributions would be paid into the scheme, but as the pension plan is in trust, the fund assets would remain intact and would not be used to pay any liabilities the liquidated company may have.

What charges are involved in setting up an Corporate Pension Plan?

The charges are dependent upon the number of members within the Vantage Corporate Pension Plan and the complexity of the structure and investments. We can provide a formal quotation after discussions to understand the individual requirements.

Who are Vantage Limited?

Vantage is an independent, privately owned Jersey registered business and is regulated by the Jersey Financial Services Commission in respect of trust company, investment and general insurance mediation business. Vantage Pension Trustees Limited, a wholly owned subsidiary and licensed by the Jersey Financial Services Commission can act as trustees of the Corporate Pension Plan.

Important

The information in this document is provided on our understanding of current law, practice and taxation which may be subject to change. No responsibility can be accepted by Vantage Limited or its employees that may arise from the information contained within this document.

It is the responsibility of the individual to obtain independent advice on all financial, legal, investment and taxation advice in connection with their retirement planning.



Vantage Pension Trustees Limited, PO Box 420, Mielles House, St. Helier, Jersey JE4 0WQ
T: +44 (0)1534 758875 **E:** info@vantage.je **www.vantage-pensions.co**  Follow Vantage