



Personal Pension Plan

Key Features



Introduction

The Vantage Personal Pension Plan is designed exclusively for Jersey residents and enables individuals to provide for retirement in a flexible and cost effective manner.

Established under a Retirement Trust Scheme, our Personal Pension Plan offers a flexible, tax efficient solution for retirement planning. It can accept transfers from existing (or previous) pension schemes, and can be funded through contributions from the individual, their employer, or a combination of both.

Providing for your retirement is extremely important. The Jersey States pension offers only basic benefits and even if you have an employer sponsored pension there is no guarantee that you can rely solely on it once you retire. The task of providing a comfortable lifestyle for yourself when you retire needs to be seen as a prime concern.

You are in control of your career, working life and finances. You should also take control of your pension and retirement planning. The Vantage Personal Pension Plan allows this.

Your time in retirement should be enjoyable and fulfilling.

Key Benefits of a Personal Pension Plan

- **Flexibility** – contributions can be made by regular payments or in a lump sum. You can start, stop, increase or decrease contributions as you wish. There are no penalties for altering contribution levels, e.g. during periods of unemployment.
- **Tax Efficient** – tax relief is granted on your contributions paid into the pension (subject to the maximum allowance).
- **Consolidation** - allows consolidation of any number of previous pensions (either personal or company) into one plan.
- **Control** - your own retirement strategy and investment decisions to suit your individual requirements and to achieve your retirement goals.
- **Portability** – your personal pension is not tied to any one employer and you can take it with you if you move jobs.
- **Choice** - the ability to arrange a Personal Pension Plan whilst also contributing into an employer's plan (subject to the maximum annual allowance)
- **Security / Peace of Mind** - knowing that you will have the lifestyle you desire at retirement.
- **Investment Options** - provides greater flexibility of investment choice with the investment strategy tailored to your individual appetite to risk.
- **Tax Free** - a tax free lump sum up to 30% can be taken upon the age of 50 (subject to certain conditions).
- **Retirement Options** – provides a number of options for pension payments on your retirement – buy a traditional annuity from a life insurance company or receive payments from the pension fund as an annuity equivalent.
- **Succession Planning** - allows the ability to pass the pension fund onto selected beneficiaries upon death of the member.
- **Ownership** - you have full ownership of your pension. Whatever your marital status and however this may change, the pension plan belongs to you.
- **Accessibility** – on-line access to review your total pension fund value.
- **Low Cost** - benefits from a low charging structure for the establishment and on-going administration of the personal pension plan.

Frequently Asked Questions

What is the Vantage Personal Pension Plan?

Our Personal Pension Plan is designed with Jersey residents in mind and enables individuals to provide for retirement in a flexible and cost effective manner.

Established under a Retirement Trust Scheme (RTS), the Vantage Personal Pension Plan offers flexibility, tax efficiency, and a wide choice of investment for retirement planning. It can accept transfers from existing (or previous) pension schemes, and can be funded through contributions from the individual, their employer, or a combination of both.

What is a Retirement Trust Scheme?

Established in December 2007 under Jersey law and approved by the Jersey Comptroller of Income Tax, a Retirement Trust Scheme is a Jersey trust arrangement to allow local residents to save for their retirement as well as to receive an income when they retire. Prior to 1st January 2015 these were known as Retirement Annuity Trusts (“RATS”). Pension contributions, as well as any transfers from previous pension plans, are held in trust by the trustees for the benefit of the member within a dedicated sub-trust of the master trust arrangement.

The main difference between a more traditional personal pension and a Retirement Trust Scheme, is that with the latter it is not compulsory to purchase an insurance company annuity at retirement. Instead, you can choose to leave your fund invested and draw an income through an annuity equivalent. This is paid to you by the trustees as an income throughout your retirement. The residual fund upon your death is passed to your nominated beneficiaries.

Why can't I have an insurance company pension?

These are no longer available in Jersey. One by one, the traditional insurance company pension providers withdrew from Jersey.

Who can have a Personal Pension Plan?

You can have a Personal Pension Plan if you are in Jersey as defined by the Comptroller of Jersey Income Tax.

How do I contribute to my Personal Pension Plan?

You can make your own contributions into your Personal Pension Plan, your employer can contribute, or you can have a combination of both. Contributions can be a lump sum or regular payments, and you can stop, increase or decrease contributions at any stage. There is no penalty for altering contribution levels. The maximum allowable overall contribution each year is currently set at £50,000 or 100% of the person's total relevant earnings (whichever is the lower amount).

Are there any minimum contribution levels?

The minimum regular monthly contribution we are able to accept is £100 per month.

Do I get tax relief on contributions paid into my plan?

Yes. Full tax relief is allowable on all contributions paid into your pension (subject to the maximum) for those earning up to £150,000. For those whose earnings are in excess of £150,000 per annum restrictions apply. Full details are available on request.

Can I transfer my existing pension benefits into my new Personal Pension Plan?

Yes. You can transfer benefits from any number of other approved schemes into your Vantage Personal Pension Plan. These could be previous personal or employer provided plans, either within Jersey, Guernsey or the UK.

Consolidating the pension rights accumulated in other arrangements into your Retirement Trust Scheme can reduce your overall administration charges.

In certain circumstances it may be advisable to leave your existing pension arrangements unchanged, for example, if you have the benefit of a defined salary scheme or guaranteed rights. Care should be exercised and independent advice taken in these instances.

What charges are involved in setting up a Personal Pension Plan?

The Vantage Personal Pension Plan charges are set out in our Fee Schedule. If you choose a financial advisor they will advise their fee charging structure separately.

When can I take out a Personal Pension Plan?

You can take out a Vantage Personal Pension Plan at any time during your working lifetime. Even if you are approaching retirement, you can still arrange a Personal Pension Plan (including transferring in any existing personal or company scheme benefits) to take advantage of the wider choice of options and benefits available to you upon retirement.

How will my money be invested?

Our Personal Pension Plan allows you flexibility regarding the choice of investment strategy. It can participate in an investment strategy from your own investment decisions (or formulated by your investment strategy with your financial advisor). It provides the ability to make the important decisions during the accumulation or fund growth stage and also at the retirement phase.

Even if you have an employer sponsored scheme you may still wish to arrange your own Personal Pension Plan as it can provide you with an alternative investment approach.

Frequently Asked Questions

Are there any restrictions on what I can invest in?

The recognised areas of investment for a Personal Pension Plan includes cash deposits, securities or financial instruments traded on a recognised stock exchange, units in collective investment funds and gold bullion*,

*On condition that the purchase is of investment grade gold bullion purchased through a regulated gold bullion company and stored in independent, fully insured allocated storage.

Certain categories of investment are not permitted with your Personal Pension Plan and these include:

- Art, jewellery, gems, antiques.
- Wines, stamp collections, rare books.
- Vehicles or yachts or other illiquid assets.
- Property - although commercial property will be considered.
- Loans to members or connected parties are not permitted but loans to third parties on commercial terms are permitted.

Can I change my investment selection?

Yes. Investment switches are permitted during your Pension growth stage, although do bear in mind that a pension is a long-term investment strategy designed to provide you with an income in retirement.

How will I know the value of my fund?

We provide on-line access to monitor your pension fund performance and value. We also provide an annual pension statement showing contributions, investment selection and pension fund value.

When can I take my benefits?

You can commence benefits at any time between age 50* and 75, and it may be possible to access your pension fund earlier if you are in serious ill health.

*This age is increased to 55 for any UK tax relieved pension funds transferred into a Jersey Retirement Trust Scheme.

What are my options at retirement?

A Personal Pension Plan provides a number of options for pension payments on your retirement. You can still purchase a traditional lifetime annuity from an insurance company, but a unique option of a Retirement Trust Scheme such as our Personal Pension Plan is that you can receive an Annuity Equivalent from your pension fund, which is paid as an income to you by the trustees of the scheme.

The income you draw may be payable for the rest of your life, or until the death of you or your spouse, whichever is the latter. The annuity equivalent payments you receive will be taxed as earned income and the Trustees will be responsible for notifying the Comptroller of Income Tax of any such payments.

Can I have a lump sum?

Yes. You can take up to 30% of your pension fund as a tax free lump sum at any time from age 50*. This can be used for various reasons, such as, university funding, mortgage re-payment or reducing other debt.

The balance of your pension fund must then be used to generate an income calculated to last the rest of your life, either by purchasing an annuity or drawing an income from the fund.

*This age is increased to 55 for any UK tax relieved pension funds transferred into a Jersey RTS. However, from 1st January 2015 after members have taken their 30% tax free cash option, they can then take advantage of additional 30% tax free payments from additional contributions they have subsequently made.

How is the Annuity Equivalent calculated?

In accordance with guidance notes published by the Comptroller of Income Tax, the trustees follow a set calculation to determine the maximum amount of income that can be paid from the pension fund, to either the member or in the event of their death, their surviving spouse.

If you die leaving a surviving spouse, then the remaining pension fund will pass to them (net of Jersey tax), or they can allow the plan to remain in place and continue drawing benefits from it.

What happens if I die pre-retirement?

If you die before commencing to draw any benefits from your pension fund, the trustees will realise your pension fund and the value will be paid for the benefit of your estate without deduction of tax.

What happens if I die post-retirement?

This will depend on the option taken at retirement. If you have purchased an annuity from an insurance company then you are at risk of the payments from them ceasing and any remaining pension assets will be retained by them.

If you chose an Annuity Equivalent then the remaining pension fund (net of any lump sum taken) will pass on to your selected beneficiary.

What if I have any further questions?

For further information please contact us using the contact details within this brochure. Alternatively you can contact a financial adviser.

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, acts as trustee and is licensed by the Jersey Financial Services Commission.

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 for any situation 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.



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