

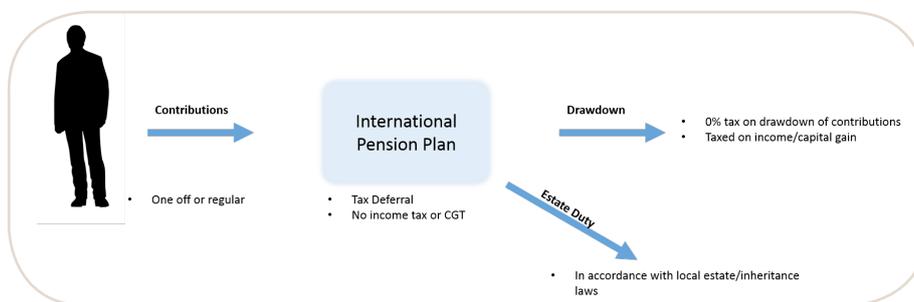
In conversation...

Getting under the bonnet of International Pensions...

If I asked you what was an International Pension...what would you say? Well, it's a pension that's international? Different people have different ways of presenting an International Pension, but at its core it is about saving for you and your family. I wanted to delve into the depths of International Pensions demonstrate see the different applications and potentials to enhance and protect you or your clients' wealth.

Personal Pension

This is a favourite topic of mine at the moment due to our ongoing activity in South Africa where I have been promoting our Isle of Man plan. A personal pension is a vehicle where you can save for the future by creating retirement provisions whilst enjoying capital growth in a tax neutral environment.



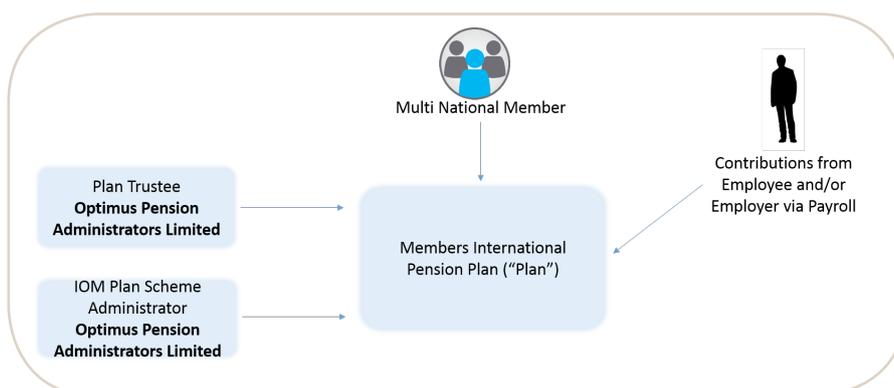
A key benefit of a personal plan is its flexibility; contributions, which are unlimited, can start and stop as required and the gross roll up of investment income and gains is possible using wide investment options (that can even include property). With flexible access, death benefit payment and the ability to be portable, personal plans are becoming very popular for those working in more volatile economies who want to continue contributing to a pension while ensuring it is protected from any local issues.

The tax treatment is dictated by the members country of residence on drawdown but whilst your funds remain in the pension you can be safe in the knowledge that there is tax free growth on the income and any gain.

Corporate and Occupational Pension Scheme

Corporate schemes are ideal for those companies who have a global workforce. These schemes are well designed for staff retention but also recruitment especially in those jurisdiction where there is no local pension.

With the globalisation of SMEs becoming the norm rather than the exception, employees can take comfort when starting new employment that there is a central pension scheme for them to utilise.

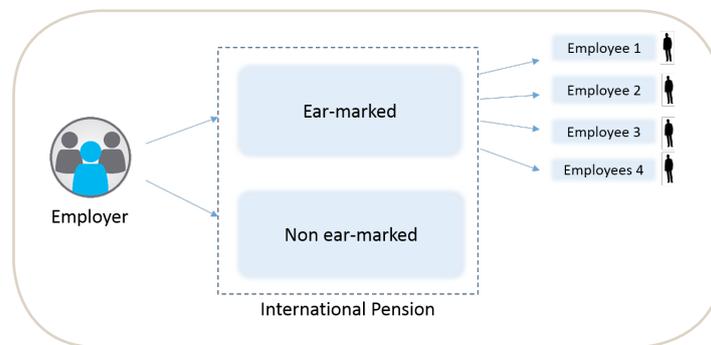


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Flexibility is again a key word when looking into corporate schemes but there is the added benefit from the personal plans in that both the employee and employer can contribute to the scheme, they are portable so if you move to another country, you can carry your pension with you and with unlimited contributions it is truly a mobile retirement saving vehicle.

End of Service Gratuity

In some jurisdictions the use of the word 'pension' doesn't have the same resonance as it does in the UK, instead they rely on end of service gratuity (EoSG). This, in its simplistic form means that when the employee's employment ceases, the employer is required to pay the employee a lump sum calculated on the number of years of service.



Although in some countries it is not yet mandatory to have EoSG provisions in place to meet the employer's liability, we are seeing more and more companies wanting to make these provisions for both earmarked and non-earmarked arrangements. For the employee, there are provisions in place that are off balance sheet and at the point of drawdown benefits can be paid gross all within a tax neutral jurisdiction. For the employer, it can again assist with recruitment and retention by having a flexible scheme structured to act as a longer term savings vehicle.

Savings plan

Finally we come full circle back to what an international pension plan is, a simple savings plan to collect regular premiums and invest in accordance with your risk appetite. Premiums can start and stop at your choosing and an international plan can offer great flexibility in how your funds are returned to you. All of these benefits being provided in a tax neutral environment where there is flexibility to defer benefits and provide wealth planning opportunities.

If you want to continue the conversation about International Pensions, why not contact Tim Shallcross and he'd be happy to chat further.

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