

INFORMATION SHEET

THE CALPE

RETIREMENT BENEFIT SCHEME

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Sovereign Trust International Limited hold permission with the Gibraltar Financial Services Commission (GFSC) to carry out the regulated activity of Professional Trustee and a Personal Pension Scheme Controller, Permission Number 5991. Its registered office is at Sovereign Place, PO Box No 564, 117 Main Street, Gibraltar GX11 1AA.

Sovereign Pension Services (Gibraltar) Limited hold permission with the Gibraltar Financial Services Commission (GFSC) to carry out the regulated activity of Personal Pension Scheme Controller, Permission Number 21764. Its registered office is at Sovereign Place, PO Box No 564, 117 Main Street, Gibraltar GX11 1AA.

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What are QROPS?

On moving abroad many British expatriates will have left their UK pension arrangements in place. These pensions remain subject to UK pensions law. As a result, the pension income may be subject to UK income tax (20% deducted at source). Additionally, the UK investment restrictions relating to pensions would apply indefinitely and the member payment charges (up to 55%) may apply on death.

Under UK legislation introduced in 2004, effective from April 2006, expatriates or UK residents who have a demonstrable intention to move overseas may transfer the value of their UK pension rights to a non-UK pension scheme and thus potentially avoid most of the normal restrictions imposed on the pension fund if it remained in the UK. The transfer must be made to a Qualifying Recognised Overseas Pension Scheme (QROPS) that is recognised by HM Revenue & Customs (HMRC).

Do I qualify for this scheme?

Whilst cases should be examined on an individual basis there are a number of basic conditions that must be fulfilled in order to transfer to a QROPS.

The existing UK pension scheme can be in drawdown (i.e. benefit being paid from the fund directly – an approach now referred to as “Capped Drawdown”) before transferring to a QROPS. However, there are restrictions and if the permitted Pension Commencement Lump Sum (‘PCLS’) has been taken, no further PCLS is allowed.

UK rules impose a statutory Lifetime Allowance (‘LTA’) relating to the amount payable from UK registered pension schemes that will be treated as tax-privileged. Transferring benefits to a QROPS is known as a Benefit Crystallisation Event (‘BCE’) and the value of pension rights transferred in excess of the lifetime LTA will be subject to UK tax.

For further information please speak directly with your Independent Financial Adviser.

The Calpe Retirement Benefit Scheme

The Calpe Retirement Benefit Scheme was established in Gibraltar by Sovereign Trust International Limited and it is administered by Sovereign Pension Services (Gibraltar) Limited. Sovereign Trust International Limited is licensed to carry out business as a professional trustee and personal pension scheme controller and is audited by Simmons Gainsford Gibraltar LLP. Sovereign Pension Services (Gibraltar) Limited is licensed to carry out business as a personal pension scheme controller under the Financial Services (Pensions) Regulations 2017.

The key features of the scheme are:

- Retirement income may be drawn commencing at age 55
- Up to 30% of the value of a member’s pension fund may be withdrawn as a PCLS at the time benefits are taken
- There is no Gibraltar withholding tax on payment of PCLS
- Gibraltar withholding tax of 2.5% is applied to all retirement income paid.*
- The pension fund can be used by the member for their lifetime and any remaining balance can be passed on to their heirs upon the member’s death without any deduction of tax at source in Gibraltar.
- Investments can be invested and paid in any major currency

*Additional taxes may be payable in your country of residence.

Pension Commencement Lump Sum

Members who have been non-UK resident for five full complete and consecutive UK tax years may elect to receive a PCLS up to a maximum of 30% of the fund value at the time of determination.

Members who have been non-UK tax resident for **less** than five full complete and consecutive UK tax years may elect to receive a PCLS up to a maximum of 25% of the fund value at the time of determination.

Members are only entitled to receive a PCLS if they have not been receiving regular income payments from the Scheme and a PCLS can only be taken from uncrystallised funds.

Regular Income

For all members who are over the age of 55 the maximum regular income available is 150% of UK Government Actuary's Department (GAD) rates.

Investments

The objective of the scheme is to accumulate a fund from which retirement annuities and other benefits can be paid. Each member is entitled to nominate an investment manager who in turn can make investment recommendations to the trustee. Due consideration of such recommendations will be given by the trustee and its investment manager. The trustee shall retain ultimate discretion on investments taking into account the investment objective and purpose of the scheme along with any applicable investment restrictions as imposed by law or by the Gibraltar Financial Services Commission.

The trustee will determine investment performance benchmarks in consultation with the member and any appointed investment adviser. Unless otherwise agreed with the member, the trustee will be using the published inflation rate for the previous year as the benchmark for determining investment performance.