



CIRAS PERSONAL PENSION

CIRAS⁺*plus*

KEY FEATURES



THE FORT GROUP

KEY FEATURES OF THE CIRAS PERSONAL PENSION (*CIRAS⁺plus* version)

This Key Features document gives you the main points of *CIRAS⁺plus* – part of the CIRAS PERSONAL PENSION. Please read it carefully and keep it in a safe place. You may need to refer to it in the future.

ITS AIMS

- ✓ To build up a fund in a tax – efficient way to provide you with a regular income in your retirement.
- ✓ To give you the choice at retirement of taking part of your fund as a cash lump sum and a smaller regular income.
- ✓ To provide a lump sum or in some cases a regular income to your dependants on death.
- ✓ To appoint an approved external investment professional to manage your pension fund assets.

YOUR COMMITMENT

- ✓ To make regular annual payments or to make at least one single payment at the start of your participation in the scheme, or to transfer pension benefits from another source into this scheme.
- ✓ To let your pension fund grow until you choose to start taking an income and then use the fund to provide for your retirement benefits.
- ✓ To use your fund to provide for your retirement or death benefits.
- ✓ To regularly review your payments if you want your pension to meet your income requirements in retirement.

RISK FACTORS

- ✓ **What you might get back will depend mainly on the investment performance and is not guaranteed.**
- ✓ **The value of your investment may go down as well as up and the fund at retirement may be less than your payments.**
- ✓ **You may not have made sufficient provision for any dependent relatives upon your death and this should be discussed with your financial advisor if this is important to you.**
- ✓ **Past performance is not an indicator of future performance.**
- ✓ **Tax rules may change in the future.**
- ✓ **Your appointed Investment Manager may invest in a wide range of investment types, which may carry differing levels of risk.**
- ✓ **Your final pension and any target benefits you hope to achieve may not be as high as you had anticipated if you do not make further contributions.**
- ✓ **Charges may increase in the future.**
- ✓ **Providers of investment, trustee or custodian services to the *CIRAS⁺ plus* may change.**
- ✓ **If you change your risk profile with the appointed Investment Manager you might be worse off than if you had maintained the anticipated risk profile from the outset.**
- ✓ **The higher the risk profile you select with the appointed Investment Manager, the greater the risk and thus the greater effect on volatility and investment returns.**

QUESTION AND ANSWERS

WHAT IS *CIRAS⁺plus*?

CIRAS⁺plus is part of the CIRAS Personal Pension Scheme, a multi-member Retirement Annuity Trust Scheme approved by the States of Guernsey Income Tax Authority under section 157A of the Income Tax (Guernsey) Law, 1975. CIRAS is available to both residents and non residents of the Bailiwick of Guernsey and is registered with HMRC as a QROPS scheme.

WHO ARE THE MAIN PARTIES TO THE SCHEME?

Fort Trustees Limited (“hereinafter referred to as FTL”) is Trustee of the scheme. FTL is licensed by the Guernsey Financial Services Commission under the Regulation of Fiduciaries, Administration Businesses and Company Directors etc (Bailiwick of Guernsey) Law 2000.

You can request the Trustees appoint an approved external investment professional as the Investment Manager to your pension fund within the Scheme, but the Trustee always reserve the right to refuse such an appointment if they do not consider them as approved or to appoint other managers as the need may arise.

By the appointment of the Investment Manager, they will provide Custody of the assets of your pension fund by means of using an approved offshore life insurance company investment wrapper (a bond), or an approved fund platform or other in-house or external custody services, such as their own nominee services, providing that at all times the assets held are clearly registered in the name of or held to the order of your *CIRAS⁺plus* account.

WHAT MIGHT I GET WHEN I RETIRE?

There is no guaranteed amount and the final fund will depend on the following:

- how much has been paid in
- how long the fund has had to grow
- the investment performance of the chosen Investment Manager
- our charges and those of any party appointed by the Trustee
- the charges applied by the appointed investment professional
- the charges for a ‘bond’, fund platform, custody services and so on

WHAT BENEFITS MAY I RECEIVE?

A pension must be drawn between the 50th and 75th birthdays (changing to 55th birthday from April 2010) but there is no requirement to purchase an annuity.

Capital may pass to dependents upon death of the Scheme Member.

Individuals transferring existing UK pension funds will convert potential UK income subject to UK tax rates of currently 40% to Guernsey income tax rates of currently 20% however providing that the individual is not a resident of Guernsey there will be no Guernsey tax liability.

A lump sum of 25% of the fund* is available upon retirement.

WHAT IS THE DIFFERENCE BETWEEN *CIRAS* and *CIRAS⁺plus*?

CIRAS is one single product, with one set of terms & conditions, approved by Guernsey Income Tax under section 157A of the Income Tax (Guernsey) Law, 1975 – a recent change to the Income Tax law permitted schemes to allow non residents to access Retirement Annuity Trust Schemes whereas previously this was restricted to residents of the Bailiwick of Guernsey only.

CIRAS⁺plus allows members to request the appointment of an approved external investment professional, whereas members in the main *CIRAS* scheme leave the decision to appoint an Investment Manager to the discretion of the Trustees.

IF I AM NON RESIDENT IN GUERNSEY, WILL I BE SUBJECT TO GUERNSEY TAX?

Providing you are not resident in the Bailiwick of Guernsey (including Alderney, Sark, Herm and the smaller islands) at any time, you will not be subject to Guernsey tax. You may however be subject to tax in the jurisdiction where you reside.

WHERE CAN I BE RESIDENT TO JOIN *CIRAS⁺plus*?

There is no restriction in *CIRAS* or *CIRAS⁺plus* regarding where you are resident, however if you are UK resident you should only consider the scheme if you intend to leave the UK shortly. If this is the case, you will be required to submit Form P85 to HMRC. If you have already left the UK you should have previously done this. You should speak to your adviser.

IF I HAVE SEVERAL UK PENSIONS CAN I TRANSFER THEM ALL INTO *CIRAS*?

Yes – your *CIRAS⁺plus* account will be able to accept all inward transfers, irrespective of how many, however for more than two initial transfers, the Trustee may apply an additional charge.

CAN ALL PENSIONS FROM THE UK BE TRANSFERRED INTO *CIRAS*?

AS *CIRAS* is QROPS registered with HMRC in the UK, the transferring scheme should be able to easily liaise with the Trustees of *CIRAS* to transfer your pensions, however not every pension may be suitable for transfer such as Final Salary / Defined Benefits schemes, or pensions with guaranteed annuities and so on.

You should seek independent advice before making a decision to transfer such schemes. Neither *CIRAS* nor the Trustees are responsible for the appropriateness of any inward transfers.

AS A NON RESIDENT MUST I BE SUBJECT TO THE RESTRICTIONS OR LIMITATIONS OF GUERNSEY APPROVED SCHEMES?

Yes – for example under Guernsey Income Tax Law it is not possible to take a lump sum from your Pension of greater than 25% of the value of the fund – irrespective of whether you are a Guernsey resident or not. HMRC in the UK also place restrictions on QROPS registered schemes which also limit the amount of lump sum available - even after the pension has been transferred out of the UK.

CAN I BORROW FROM CIRAS?

Yes, you can borrow up to 25% of the fund – contact us for full details.

WHAT ARE THE COSTS OF *CIRAS⁺plus*?

The *CIRAS⁺plus* fee schedule should be provided to you with this document, or can be requested from the Trustees at any time. Charges are identical for residents of Guernsey and non residents.

INVESTMENT STRATEGY

One of the fundamental reasons for the creation of *CIRAS⁺plus* was to provide the ability to appoint an approved external investment professional who could use a wide range of suitable investments – this simply means that *CIRAS⁺plus* can hold very diverse investments and is not restricted to the investment strategy of the main CIRAS scheme.

APPOINTING AN INVESTMENT MANAGER

The Trustees are responsible for appointing an investment manager, but you can ask the Trustees to consider appointing an investment manager of your choice. Providing the suggested investment manager is acceptable to the Trustees, they will make the appointment.

WHAT IS AN APPROVED INVESTMENT MANAGER?

In order that the Trustees can be comfortable with the appointment of an investment manager, the investment manager must be professional, suitably experienced and be licensed / regulated in a jurisdiction acceptable to the Trustees.

CAN I BE APPOINTED AS INVESTMENT MANAGER?

Unless you are a professional with suitable experience and you are licensed / regulated in a jurisdiction acceptable to the Trustees, then unfortunately no.

HOW DO I CHOOSE THE INVESTMENT STRATEGY?

Once an Investment Manager has been appointed, you should discuss this with them. As a professional they will be experienced in creating a suitable investment strategy with you, based on several factors, which could include:

- The current value of your pension savings

- The value of future pension contributions
- Your intended retirement date and available period of investment
- The capital sum which will generate the required income at prevailing annuity rates (although you do not need to buy an annuity)
- Your attitude to investment risk and volatility
- If you have any specific investment parameters such as ethical considerations

Once an investment strategy has been agreed with the appointed investment manager, they should provide the Trustees with a copy. Any changes to the strategy should be informed to the Trustees, however the Trustees can not give investment advice.

HOW CAN I MONITOR THE INVESTMENT PERFORMANCE?

The appointed Investment Manager should be able to provide you (and the Trustees) with valuations at least every quarter.

DO I USE A BOND, PLATFORM OR CUSTODY ACCOUNT?

This is something you will need to discuss with the appointed investment manager. They will advise you on the reasons why they have recommended a particular method, including any limitations or costs.

WHAT INVESTMENTS CAN BE USED?

The appointed investment manager will be permitted to use virtually any form of investment including collective investment funds (offshore funds, unit trusts, investment trusts, OEIC's, UCITS, SICAV's and so on) – in any underlying asset class they decide. They will also be allowed to invest directly into equity markets, fixed income (Gilts, Treasuries, Bonds and so on) and hedge funds, structured investment products – but they are not allowed to invest in Private Company shares, or real property (property funds are allowed) nor are they allowed to leverage the investments.

CAN I CHANGE THE APPOINTED INVESTMENT MANAGER?

Yes – you can make the request to the Trustees and also recommend a new investment manager.

IF I TRANSFER MY UK PENSIONS, WILL YOU ADVISE ME?

Advice of this nature should be sought from a professional who is experienced in advising on UK Pension Transfers and QROPS - you should speak to your financial adviser about this to ensure you fully understand the requirements and implications of transfers.

An adviser who is fully conversant in these areas will be able to guide you, explaining to you about (where applicable) Protected Rights, Benefit Crystallisation Events (BCE's), transfers from Defined Benefits Schemes (Final Salary Pension Schemes), Guaranteed Pensions, Pension Transfers costs or penalties and so on.

CAN I TAKE MORE THAN THE 25% CASH LUMP SUM?

As the CIRAS Personal Pension and therefore *CIRAS⁺plus* is established and approved under Section 157A of the Income Tax (Guernsey) Law, 1975 – the law restricts the maximum amount permissible as a cash lump sum to 25% of the total value of the pension fund at the time of requesting the lump sum.

CAN I BORROW MORE THAN 25% OF THE PENSION FUND?

As the CIRAS Personal Pension and therefore *CIRAS⁺plus* is established and approved under Section 157A of the Income Tax (Guernsey) Law, 1975 – the law restricts the maximum amount permissible as a loan to 25% of the total value of the pension fund at the time of requesting the loan.

MY ADVISER TELLS ME I CAN TAKE MY ENTIRE PENSION FUND THAT I TRANSFERRED FROM THE UK AFTER 5 YEARS.

If your adviser has told you this, or perhaps anyone has suggested this is possible – it isn't. This is sometimes referred to as 'Trust Busting' or 'Pension Busting' – not only is it completely outside the terms of CIRAS and *CIRAS⁺plus* but it is also not permitted under Guernsey Law nor is it allowed by HMRC.

CAN I TRANSFER MY PLAN?

You can transfer your plan to another approved Retirement Annuity Scheme or Pension, but you will need to seek the approval of the Trustee and Administrator of Income Tax if you are or become resident in Guernsey. We apply a charge for all transfers out.

It may not be in your best interest to transfer to another scheme and you should always discuss such a decision with your Financial Adviser.

CAN I CHANGE MY MIND?

Whilst neither an obligation nor a requirement under Guernsey Law, Fort Trustees Limited will not process your application for 7 (seven) days to allow you time to reflect upon your decision to seek membership of *CIRAS⁺plus*.

Should you decide that you do not wish to continue, please contact Fort Trustees Limited immediately or contact your Financial Adviser.

HOW TO CONTACT US

If you have any questions, you can phone us or write to us.

Call us on +44 1481 234460

Fax us on +44 1481 234470

Or write to us at:

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* - subject to Guernsey Income Tax rules, restrictions and limitations.



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