
Member Guidebook

IMPORTANT INFORMATION

This Guidebook covers all defined contribution personal pension and retirement **Plans** offered by Overseas Trust and Pension Limited and Overseas Pensions and Benefits Limited (OTAP).

PURPOSE

This Guidebook provides a general view only and is designed to provide you with an overview of your **Plan** and its features. It is intended as a guide to point you to additional information in respect of your **Plan**. Please read carefully so that you can take full advantage of your Membership.

To make the Guidebook easier to use, you will find defined terms in bold throughout the content. The **Plan** and this Guidebook are subject to and should be interpreted in accordance with the Laws of the Island of Guernsey. If there is any conflict or inconsistency between this Guidebook and the trust deed and/or rules of your **Plan**, the terms of the trust deed and/or rules of the **Plan** will prevail.

This Guidebook will be updated from time to time so please visit our website, rather than downloading it, to ensure you are reading the latest version.

ADVICE

OTAP does not offer financial, investment, legal or tax advice and information provided by OTAP should not be considered as such. We strongly recommend that **Members** take regulated financial and investment advice in respect of their individual circumstance, their investment requirements and appetite for investment risk. It is the responsibility of you and your adviser to review the suitability of your **Plan** and investments regularly, as investment returns are not guaranteed and may fluctuate.

OVERSEAS TRUST AND PENSION

OTAP is the brand name of Overseas Trust and Pension Ltd, Overseas Pensions and Benefits Ltd and Overseas Pensions Administration Ltd, (the Companies) are licensed by the Guernsey Financial Services Commission under the regulation of Fiduciaries, Administration Businesses and company Directors, etc (Bailiwick of Guernsey) law, 2000 and The Pension Licensees (Conduct of Business) and Domestic and International Pension Scheme and Gratuity Rules (No.2) 2017. Overseas Trust and Pension Ltd and Overseas Pensions and Benefits Ltd are registered in Guernsey numbers: 55506 and 39935 respectively. Overseas Pensions Administration Ltd is registered in Alderney number: 1427 and its registered office is Millennium House, Ollivier Street, St Anne, Alderney, GY9 3TD. OTAP is an authorised financial services provider with the Financial Sector Conduct Authority ("FSCA") – FSP number 47261.

Definitions

Annuity means a regular payment from your **Plan** for: a defined period, your lifetime or until the **Plan's** assets are exhausted.

Approved means any **Plan** approved by the Director of Income Tax in Guernsey.

Certificate of Membership is a document you receive on becoming a **Member**, it will show your Membership Number, Date of Membership and the **Plan** of which you are a **Member**.

Exempt Pension Trusts means a **Plan** approved by the Guernsey Income Tax Office to afford flexible drawdown where the original contribution was transferred from a UK registered pension.

Financial Adviser means the **financial adviser** appointed by you to advise on your personal financial requirements. **Financial Adviser** is also referred to as **Professional Adviser** and these terms are interchangeable.

Incapacity means as a result of: Injury, sickness, disease, or disability, where you have already ceased to carry out your current occupation and you are (and will continue to be) medically incapable (either physically or mentally) of resuming your current occupation.

Investment Direction is the party responsible for reviewing and making investment decisions and the possible scope of those decisions in relation to any part of your **Plan**.

Letter of wishes means a formal letter submitted by you to OTAP detailing your **Nominated Beneficiaries** upon death in respect of any remaining proceeds within the **Plan**.

Licensee Directed is where OTAP is responsible for **Investment Direction** in respect of your **Plan**.

Member means those individuals admitted to the **Plan**.

Member Directed is where you are responsible for **Investment Direction** in respect of your **Plan**, subject to you having the experience and background in order to understand and exercise these investment powers and take on the obligations and responsibilities in relation to such.

Nominated Beneficiaries means individuals nominated by you to receive benefit upon your death.

Pension Scheme means any scheme as defined in the **Regulation** of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2000.

Plan means the **Plan** you are a **Member** of, which is identified in your **Certificate of Membership**.

QNUPS means Qualifying Non-UK Pension Scheme.

Regulation means the Pension Licensees (Conduct of Business) & Domestic and International **Pension Scheme** and Gratuity Scheme Rules (No. 2) 2017.

Sub-Fund, also referred to as **Members** account, means the specific portion of the **Plan**, which is set aside to hold your **Plan** contributions separately from all other **Members**.

The Licensee is OTAP, who is the regulated provider of your **Plan** as Administrator and Trustee.

Third-Party Directed is where you have appointed a **Third-Party** to be responsible for **Investment Direction** in respect of your **Plan**. Typically, this would be your **Financial Adviser** or a discretionary investment manager.

Trust Deed means the Deed under which the **Plan** is established.

Unapproved means **Plans** that are excluded from Guernsey tax by way of special provisions in the Guernsey Income Tax Act and therefore not subject to approval by the Director of Income Tax in Guernsey.

Understanding your Plan

PARTIES, RIGHTS AND RESPONSIBILITIES OF YOUR PLAN

There are different parties that are involved in the administration and management of your **Plan** and the Parties and their Rights and Responsibilities will differ depending on your choice of **Plan**, **Plan Option** and the **Investment Direction** selected by you, these include the following:

THE MEMBER

You are the **Member** and as such you are responsible for keeping OTAP apprised, and/or other parties appointed by you, up to date with any changes in your circumstances that may have a bearing on your **Plan** and the investments in your **Plan**. You are responsible for ensuring that OTAP is informed of any changes to your personal information, together with selecting the **Investment Direction** for your **Plan**. As a **Member** of the **Plan**, you are entitled to information on the **Plan's** performance in respect of your **Sub-Fund** only.

FINANCIAL ADVISER

This is the person appointed by you to provide financial, tax and other advice in respect of joining and your ongoing participation in a **Plan**, subject to consent by OTAP. They may also be the person responsible for the management of the investments within your **Plan** where you have opted for a **Third-Party Directed** approach.

THE LICENSEE

This is OTAP and we are responsible for the administration of the **Plan** in accordance with the relevant legislation and laws of Guernsey. OTAP may also be responsible for the **Investment Direction** if so appointed by you. The assets held within the **Plan** are identified on an individual **Member** basis, known as **Sub-Fund**, and are only available to you, the **Member**, once a benefit has vested in you. No **Nominated Beneficiaries**, creditor or any other **Member** of the **Plan** has a claim against your **Sub-Fund** in the **Plan** thus safeguarding your retirement provision.

Types of Plans

Plans can be established under various sections of Law in Guernsey. The features of your **Plan** will be dictated by the relevant sections of the Law that apply to your **Plan**. Your **Plan** will fall into one of three categories being **Approved**, **Exempt** or **Unapproved**. Irrespective of the applicable law or sections thereof, all types of **Plans** are defined in Law as **Pension Schemes** and subject to **Regulation** in Guernsey. Your **Financial Adviser** is responsible for selecting the **Plan** that is best suited to your personal circumstances.

If you require specific information, which is not covered in sufficient detail in this Guidebook, please contact OTAP.

Investments and Your Plan

The exact manner in how investments are chosen and managed within your **Plan** is dependent on the **Investment Direction** you have opted for. Whether **Third-Party** or **Licensee Directed** you will have received a Statement of Investment Principles covering key points in respect of the management of your **Plan's** funds.

Where your **Plan** is subject to tax relief in Guernsey and your investments are run on a **Third-Party Directed** basis, the investments available to you include collective investments, stocks, shares, deposits, structured investments, and policies of insurance subject to the list of permissible investments in Appendix 1 of this Guidebook.

Statement of Investment Principles

THIRD-PARTY DIRECTED: Your investments within your **Plan** should be reviewed by you and your appointed party on a regular basis. Your appointed party is responsible for providing you with a Statement of Investment Principles, which will include the kinds of investments to be held, the balance between different kinds of investments, the level of risk, expected return on investments and the liquidity and realisation of investments.

LICENSEE DIRECTED: OTAP does not provide financial, investment, tax or other advice. **Licensee Directed** investments are outsourced by the OTAP to a regulated third-party investment provider. You are responsible for notifying OTAP of any changes that may impact on the investments or decisions in respect of the investments within your **Plan** so that this can be taken into account by the third-party investment provider.

OTAP cannot be held responsible for the suitability of investments and or investment changes that should have occurred but did not, due to lack of notification or delayed notification, by you the **Member**.

For OTAP's Statement of Investment Principles, please go to www.trustandpension.com.

MEMBER DIRECTED: No Statement of Investment Principles can be provided as you are solely responsible for your **Plan**.

The Operation of your Plan – Key Features

The following section provides a guide to the main features of the **Plans** offered by OTAP and the different options available. It gives you an overview of the structure of your **Plan** and how it operates including contributions, benefit options and how to request benefits, nominating beneficiaries, payment of benefits on death and other features. It also covers the limitations of the different **Plans** and the taxation or non-taxation of respective **Plans** from a Guernsey perspective.

What type of Plan do I have?

If you are a Guernsey resident, you will be in an **Approved Plan**. If you have Membership to a **Plan** that meets the requirements of a **QNUPS** and your contribution was by means other than the transfer of a UK Pension, you will be in an **Approved Plan**. If your source of contribution was originally a UK registered pension and you have subsequently opted for flexible drawdown, you will be in an **Exempt Pension Trust**. All other **Members** will be in an **Unapproved Plan**.

What is the Purpose of my Plan?

The purpose of your **Plan** is to provide a range of benefits at or after your retirement. Any benefit paid whilst you are alive is only payable to you.

What is the Structure of my Plan?

Plans are set-up as either standalone **Plans** with a single member or as multi-member **Plans**. Both types of **Plans** are established and defined under Guernsey Law.

As a Multi-**Member Plan**, your funds are held separately from other **Members** in a designated **Sub-Fund**, which can only be applied to your benefit.

Can I change or vary the Rules of my Plan?

All **Plans** are irrevocable, and all **Members** are bound by the rules, so **Members** cannot change the rules.

How can I Fund and/or make an Additional Contribution to my Plan?

As the **Member**, you can generally contribute by way of a cash contribution. In certain instances, contributions can be made by way of the re-assignment of life policies, in-specie transfers of securities or a combination of all three but you should consult your adviser and OTAP if you are considering the latter.

The primary method of funding is by the **Member** directly, but contributions can be accepted from the following:

- By spouse or family member subject to signed declaration acknowledging they have no right to the **Plan** or funds contributed after the funding has been accepted into the **Plan**
- Contribution from estate, trust or company subject to compliance approval
- Inward pension transfers from another **Plan** subject to the existing and receiving **Plans** consent.
- Contribution by your employer

Can I transfer an existing pension to my Plan?

All of our **Plans** can accept pension transfers; however, this is conditional on the transferring scheme approving the transfer and on OTAP agreeing to any conditions the transferring scheme may place on OTAP.

Will I have to pay tax on my Plan?

If you are resident for tax in Guernsey, then any benefit payment you receive will be subject to the tax laws in Guernsey. This may result in tax being applicable dependant on your personal circumstances and you will be responsible for declaring any benefit received as part of your annual tax reporting.

Members of Plans who are a) not resident in Guernsey or b) have never been resident in Guernsey are not subject to any Guernsey taxation and all benefit payments are paid without any tax deductions.

All **Members**, irrespective of the **Plan** they are in, are not subject to tax in Guernsey on the gains or income produced within your **Plan**. Regardless of where you live, your **Financial Adviser** should have provided you with details of the tax treatment of your **Plan**.

If I have received a benefit, how do I confirm the nature of the benefit to my tax authority?

You can request a Benefit Certificate for the period under report or a Certificate of **Annuity** if you are receiving benefit by way of an **annuity** from OTAP.

Where is my Plan regulated?

All **Plans** are regulated in Guernsey.

What Permissible Investments can my Plan hold?

Where you have opted for a **Third-Party Directed** approach and you are receiving Guernsey tax relief on contributions, please refer to Appendix 1 of this Guidebook for permissible investments. If the **Plan** is **Licensee Directed**, you will receive a detailed summary in respect of the investments OTAP will be investing in.

Can I use my Plan as Security?

No **Plans** can be used as security.

What are the Benefit Options and the Retirement Age associated with my Plan?

If you are in an **Exempt Pension Trust** or an **Approved Plan**, there is no access to retirement benefits prior to the defined minimum retirement age, which is 50 years of age for Guernsey residents and 55 years of age for non-Guernsey residents. You must commence benefit by no later than your 75th birthday. For **Unapproved Plans**, the retirement age varies depending on the **Plan**. As a guide, benefit can typically be taken from the age of 50, but this may differ from plan to plan. Certain **Unapproved** plans may also have a date by which you must have elected benefit. To confirm the retirement age in respect of your **Plan** consult the **Plan** documentation or contact OTAP directly.

See Retirement Benefits and Death Benefits for detail on benefit types.

Can I take early retirement?

In certain exceptional circumstances, the provision of retirement benefit at an earlier point may be possible due to a specific occupation or **incapacity**. Please contact OTAP if you require any additional information on this.

What Retirement Benefits can I receive from my Plan?

Approved Plans can pay benefits as follows:

A pension commencement lump sum equal to no more than 30% of the value of the **Member's Sub-Fund**. This can be taken on commencement of retirement. However, you may elect to take the lump sum in stages, subject to the above limits.

A regular benefit or drawdown which is based on a maximum of 150% of GAD (UK Government Actuarial Department Tables) or an **annuity** quote from a regulated insurance company. This can be for a fixed period e.g. 3 to 5 years or for the life of the **Sub-Fund**. Where the benefit payment is for the life of the **Sub-Fund** it will be subject to review.

Exempt Pension Trusts can pay benefits as follows:

You have the same options as per **Approved Plans**, but they may also request a single lump sum to the full value of the **Member's Sub-Fund** i.e. a 100% lump sum benefit.

Unapproved Plans can pay benefits as follows:

A lump sum for a defined amount or for the full value of the **Member's Sub-Fund**. For the avoidance of doubt, a **Member** may take multiple lump sums at different periods or a single lump sum of up to 100% of the **Plan** value.

A regular benefit or drawdown which is set by the **Member** and not subject to an actuarial process.

An **annuity** for a fixed period which is typically 3 to 5 years.

NOTE: You should seek independent tax advice in order to determine the most appropriate method to benefit from your **Plan**.

Can I receive Incapacity Benefits from my Plan?

Incapacity is subject to prescribed terms and conditions which may differ from **Plan** to **Plan**. Contact OTAP for information pertaining to your specific **Plan**.

What are the Death Benefit options for my Plan?

If you pass away before retirement, the following options exist:

- **Annuity** or lump sum payment to **Member's Nominated Beneficiaries** Lump sum to **Member's** estate
- Lump sum payment into another Trust or **Plan**

If you pass away during retirement, the following options exist:

- Lump sum to **Member's Nominated Beneficiaries**
- **Annuity** – the balance to the **Beneficiaries** (It can be by way of lump sum or an **annuity** for life or an **annuity** certain.)
- **Annuity** – no surviving **Beneficiaries** – remaining assets to be held in trust or applied as directed by the **Member** during their lifetime and as OTAP sees fit, payment into another trust or **Plan**.
- Lump sum to **Member's** estate

Do my benefits get reviewed?

For **Approved Plans**, all ongoing retirement benefits are reviewed by OTAP every 5 years where you are under the age of 75 and every 3 years thereafter. This review is to keep the amount of benefit paid to you in proportion to the amount of funds held in your **Plan** The review may result in an annual benefit falling. Benefits are not reviewed where the Plan is Unapproved, however, it is recommendable to review the benefits that you are taking with a **financial adviser**.

Members should note that the taking of benefits may exhaust all the funds in their **Plan**, which would result in their benefits stoppings and Membership ceasing.

Trivial Commutation

For Guernsey residents, **Approved Plans** can be closed down with a single benefit payment made to the **Member** provided they are over 50 years of age and the value of their **Sub-Fund** is under £50,000. **Members** should take note that triviality is subject to potential taxation in Guernsey where the **Member** is Guernsey resident or has been Guernsey resident. For all other schemes, **Members** should consult **OTAP** to determine if triviality is possible and if so under what conditions.

Can I Switch between Plans?

Subject to the rules, prevailing legislation and OTAP's approval, switching between Units in regulated collective investment schemes. may be possible. For more information on this, speak to OTAP.

Can I take a Loan from my Plan?

Exempt Pension Trusts cannot lend funds to the **Member**. **Approved Plans** can lend a maximum of 30% of the value of your **Sub-Fund** on the date of receipt of the Loan Application. There is a minimum loan value of £10,000, and if greater than the permitted 30% no loan will be approved. The loan must be on commercial terms with interest owing accruing to your Plan. The Loan must be repaid in full prior to any benefit being taken but the amount outstanding can be offset against a benefit payment provided, a lump sum option is available and equal to or greater than the loan.

Unapproved Plans can loan up to 40% of the value of your **Sub-Fund**. The loan does not have to be on commercial terms i.e. it can be at 0%, however, the same requirements regarding repayment are applicable.

The loan can be paid into a bank account of the **Member's** choice provided it is in the **Member's** own name or joint account to which the **Member** is a party. Loans are still available if a **Member** has "segmented" their **Plan** into mini-plans, and the mini-plan from which the loan is required is not in benefit. If a loan is active, it must be paid back before the **Plan** from which the loan is required may be "segmented".

Who can I nominate as my Beneficiaries?

You may nominate Beneficiaries in the event of your death. The Beneficiaries may be your spouse, dependent child, or another dependent, any Beneficiary under your Will or any other person selected by you in writing including a Trust or an **Approved** or **Unapproved Plan**.

Can I Terminate and/or Transfer out of my Plan?

Membership to the **Plan** is irrevocable and as such Membership will terminate when a) the **Plan** no longer has any funds in it, b) the **Plan** is transferred to another scheme or c) on the Death of the **Member**.

Will the Plan fees be reviewed?

Fee reviews take place annually and you will be informed of any changes to the published fees. The fees applicable to your **Plan** will depend on the Product Option you selected, and confirmation of these fees would have been provided in your Welcome Pack. Updated fee schedules are also available on our website www.trustandpension.com

Other service providers, such as investment managers, your **Financial Adviser** or custodian may also review their fees from time to time.

Will my Plan change?

Legislation may require certain changes to your **Plan**, or we may choose to enhance the **Plan**, however, we will notify you if any changes are made.

Useful Forms

The following useful forms can be obtained from our website or your **financial adviser**.

- Additional Contribution Form
- Nomination/Change of Beneficiary
- Benefit Request
- Change of Adviser
- Member Directed Request
- Investment Request Form

Changing your Adviser

You can request a change of adviser, however, OTAP will undertake a basic level of due diligence before we accept the appointed adviser and we reserve the right to refuse the request.

Updating your Details

Regulations require us to update client information on a regular basis and will contact you periodically to update or confirm certain information. From an administration and service perspective, having your correct details is also vital so that we can service your **Plan** correctly. Therefore, if any of your details change, please do inform us as soon as possible.

Prevention of Fraud

We operate 'call-back' procedures, where we will call you directly to confirm critical requests, such as benefit requests, loans, changes to your banking details etc. Therefore, having your updated contact information is important. If you ever receive contact from OTAP and have any doubt over its authenticity be it email, letter or a call, please contact our Compliance Function, immediately, on +44 (0) 1481 723030. Prevention of fraud is our collective responsibility.

Delivering Service to You

We aim to maintain high levels of service, however, if at any point you are unhappy with the service you receive from us, please let us know and your concerns will be dealt with in line with our Complaints Policy, which you can find at www.trustandpension.com. If our final response is unsatisfactory, you may choose to refer the matter to Financial Services Ombudsman for the Channel Islands. Please see their details below:

Email:

Enquiries@ci-fo.org

Telephone:

Guernsey +44 (0) 1481 722218

International: +44 1534 748610

How to Contact Us

Your appointed adviser should always be your first point of contact to assist you with any request, as they will know and be used to dealing with the operations of our **Plans**, and this will make the administration much simpler for you. However, if you would like to contact us directly or your **Plan** is **Licensee** or **Member Directed**, we will happily assist you with your request. Below you will find our full set of contact details.

The Trustee and Plan Administrator:

Overseas Trust & Pension Limited

2nd Floor, Elizabeth House, Les Ruettes Brayes,

St Peter Port, Guernsey, GY1 4LX

Telephone: +44 (0) 1481 723030

Email: enquiries@trustandpension.com

Visit: www.trustandpension.com

Appendix 1: Permissible Investments for Third-Party Directed Investment Approach

- ⇒ Bank account deposits
- ⇒ Cash
- ⇒ Cash funds
- ⇒ Corporate bonds
- ⇒ Exchange-traded funds
- ⇒ Government and local authority bonds and other fixed interest stocks
- ⇒ Physical gold bullion
- ⇒ Investments notes (structured products)
- ⇒ Long-term insurance contracts (where underlying investment is in other assets listed in this Appendix)
- ⇒ Shares in investment trusts
- ⇒ Managed pension funds
- ⇒ National Savings and Investment products
- ⇒ Permanent interest-bearing shares (PIBs)
- ⇒ Real estate investment trusts (REITs)

Shares listed on:

- the Alternative Investment Market;
- the International Stock Exchange;
- the London Stock Exchange; or
- a recognised exchange (as listed in The Companies (Recognised Stock Exchange) **Regulations**, 2009 (as amended)).

- ⇒ Units in regulated collective investment schemes.