

# ELEMENTS TAX EXEMPT RETIREMENT PLAN

## Member Guide for International Members

THIS GUIDE DESCRIBES THE FEATURES OF THE ELEMENTS TAX EXEMPT RETIREMENT PLAN

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This guide provides general information only.

The Plan and this handbook are subject to, and interpreted in accordance with, the Laws of the Island of Guernsey and the Trust Deed.

## 1. THE PLAN

### a. Description

The ELEMENTS Tax Exempt Retirement Plan ("Plan") is a corporate occupational Pension Plan, registered under written under the Trusts (Guernsey) Law 2007.

The Master Deed is administered by Overseas Trust and Pension Limited ("OTAP") to meet the approvals afforded by Section 40 subsection (o) of the Income Tax (Guernsey) Law 1975, as amended.

Non-Guernsey resident Members of the ELEMENTS Retirement Plan are afforded exemptions allowed under Section 40(o) of the Income Tax (Guernsey) Law 1975, as amended.

HM Revenue and Customs ("HMRC") recognised the ELEMENTS Retirement Plan as a Qualifying Recognised Overseas Pension Scheme (QROPS).

The Plan is a Money Purchase Plan providing Members with benefits linked to:

- 1) the value of contributions made to the Plan during his/her Membership and
- 2) returns generated by these contributions invested in the investment funds of the Member's choice.

To be eligible to join, a Member must be over the age of 18.

### b. Regulation

Pension services are offered by OTAP as the Trustee and Plan Administrator.

Overseas Trust and Pension Limited  
2nd Floor, Elizabeth House, Les Ruettes Brayes,  
St Peter Port, Guernsey, GY1 1EW.

E-mail: [enquiries@trustandpension.com](mailto:enquiries@trustandpension.com)



### c. Administration

The Plan is administered by OTAP.

The assets held in the Plan are held on an individual Member basis, and are not available to OTAP or any other Member.

As a Member of the ELEMENTS Retirement Plan, you are entitled to information on your Plan's performance, your account activity and your options.

Any questions in this regard should be directed to your Professional Adviser or the Trustee and Plan Administrator. Please have your Membership Number ready when you call or email. Your Membership Number can be found on your Certificate of Membership and correspondence.

#### Important Note

As a Member of the directed Plan the Professional Adviser ("Adviser") appointed by the company will advise you on the suitability of your Membership of the Plan, and the on-going suitability of the Plan for your requirements.

In addition, they will advise you on the investment choices. The suitability of the investments for your circumstances must be confirmed to you, at least annually by the appointed Adviser.

### d. Investments

#### The investments fees

1. The investment fees in respect of the ELEMENTS Retirement Plan is governed by the investment options selected by the company.
2. Annual and activity fees are usually paid from the Plan's investments.
3. OTAP reserve the right to change the fees relating to the Plan at their discretion, and will give the Company at least one month's notice of any change.

## 2. OPERATION OF YOUR PLAN

### How does the Plan operate?

The benefits of the Plan are provided under an Occupational Pension Plan Trust Deed.

OTAP invest contributions made by you into your chosen investments.

You will receive an annual online statement reflecting your investment values from OTAP (we are unable to offer this facility for all investments).

If you should require more frequent investment values, please contact your HR Department who will assist you in obtaining this information.

On reaching your Selected Benefit Date, you may use the value of your Plan to provide your retirement benefits.

**Membership Number** – a number allocated to your Plan at commencement. You should quote this number in all correspondence with OTAP.

**Main Beneficiary** – this is you as a Member of the Plan.

**Date of Membership** – This is the date that OTAP accepted your initial contribution and your Membership of your company's Plan was established.

**Selected Benefit Date** – This is the date that you indicated you would require a retirement income from your Plan. You can start taking benefits from your pension fund at any time between the age of 55 and 75.

**Contribution** – this is the amount of the payment or transfer into your Plan.

**Plan Value** – this is the net value of your Plan after charges.

**Investment Selection** – this is the investment strategy you have chosen.

### How do I make contributions?

#### Regular Contributions

Contributions are made by way of deductions from your salary/bonus by your company and transferred into the ELEMENTS bank account administered by OTAP.

For further information, please contact your Human Resources Department.

(For South Africa resident employees, please see point 4. Appendix 1.)

#### Ad hoc Contributions

Ad hoc contributions can be made at any time subject to the minimum amounts detailed in the Contribution and Fee Schedule. Unless advised to the contrary in writing, we will allocate contributions in line with your current chosen investment selection.

To make an ad hoc contribution, an Additional Contribution form must be completed and returned to OTAP. Information about the Source of Funds and your Source of Wealth will be required.

#### Currency

When you join the Plan, you will need to nominate a currency. The currency must be the same as the currency in which you wish to take benefit.

### Who manages the investments?

The Adviser appointed by your company will recommend the investments and monitor their performance and suitability at regular intervals. You have the choice to select your investments from the portfolios on the platform or to select the default option recommended by your Company appointed Adviser.

As a Member of the directed Plan, OTAP is not responsible for your direction to appoint a Manager, Investment Manager or Adviser to act on your and the Plan's behalf. OTAP is not responsible for the selection, suitability and/or performance of the investments held in the Plan at any time.

### What investment selections can I make?

Your Adviser will provide you with the relevant literature in respect of the investment choices available to you.

### Can I transfer my existing Pension?

Transfers from other Pension schemes into your Plan may be accepted by the Trustee and Plan Administrator.

Since April 2012, UK registered Pension transfers are not permitted.

There is no maximum transfer value.

### Can I borrow against my Plan?

The Rules of the Plan do not allow you to borrow from the Plan or from third parties secured against the value of your Plan.

### What happens if I become ill before retirement?

You may be able to commence benefits before the minimum retirement age on the grounds of ill health or incapacity. There is a strict definition in the Plan Rules of what constitutes incapacity. It will be necessary to supply medical evidence to OTAP to support any claim.

OTAP may, on written notice from your participating company, and with the agreement of the Guernsey Administrator of Income Tax, provide you with a lump sum payable immediately and/or an income for life, provided that you are not already in receipt of benefits.

### When can I take benefits?

You can take benefits from your Plan on reaching your Selected Benefit Date which must be between the age of 55 and 75. By the age of 75, you must commence benefit payments from your Plan.

A deferral of your Selected Benefit Date must be notified to the Trustee and Plan Administrator not less than 2 months prior to the existing Selected Benefit Date.

### What retirement benefits will I be entitled to?

A single lump sum of up to 100% of the value of your Plan, paid on your Selected Benefit Date.

Members who retire may request their benefit by either:

1. A lump sum payment equal to the total accumulated funds in the Plan.
2. A regular drawdown of an amount requested by the Member in writing.
3. Ad hoc payments as required by the Member

### Important Note

OTAP as trustee of your pension scheme is required to ensure that you understand that your pension fund may be exhausted before you die. The lifespan of a Pension Plan, and the performance of the assets held, are impossible to predict.

### What happens at age 75?

By the age of 75, you must commence benefit payments.

The minimum and maximum Pension income that may be drawn will be reviewed periodically.

Independent actuarial valuations may be obtained if appropriate at the Member's cost.

### What happens to my Plan if I die prior to receiving full benefit?

Upon your death, OTAP will pay a lump sum equal to the value of your Plan or an income from your Plan as follows:

Payment to one or more Beneficiaries,

or

Payment to your estate, within 2 years

or

Payment to a new Plan or Plans for the provision of retirement benefits to Named Beneficiaries. This option will be subject to minimum value restrictions, and the relevant tax allowances applicable to the Named Beneficiaries.

Although you are not entitled to give specific instructions as to who should receive the death benefit, you may make written nominations to indicate the person(s) you wish to be considered. Beneficiaries nominated on your initial application form can be changed or cancelled by you at any time by submitting a Letter of Wishes.

Nominations must total 100% allocation always.

Details of the information to be included in any Letter of Wishes are included in the Appendix to this guide.

OTAP recommends that you consult your Adviser prior to drafting and submitting any Letter of Wishes. It should be noted that OTAP retains total discretion over the payment of any benefit to any Beneficiary (ies) always.

If you die leaving no surviving Named Beneficiaries, the balance of your Plan will be paid to your estate.

Any Named Beneficiary who becomes eligible to receive a benefit from your Plan will be required to provide suitable confirmation of their identity and address. Payment will be conditional on the production of such identification.

### Can I transfer my pension out of the ELEMENTS Retirement Plan?

Upon resignation from your participating company you have the right to ask OTAP to transfer your Plan into another suitable Pension Plan administered by qualified Trustees and Administrators. Alternatively, a transfer to a UK registered Pension may be possible.

### Can I return to the UK?

Yes. If you return before you commence taking a lifetime benefit, you should take professional advice to ensure that any tax implications are considered.

### Can I encash my Pension Plan in full?

With the Director of Guernsey Income Tax Office's approval, it is possible to cash in a Pension valued at no more than £30,000.

## 3. CONTACT DETAILS

You can find out more information from either:

#### Your Adviser

Your appointed Professional Adviser should be the first point of contact for the Member or Beneficiaries.

Or

#### The Trustee and Plan Administrator:

Overseas Trust and Pension Limited  
2nd Floor, Elizabeth House, Les Ruettes Brayes,  
St Peter Port, Guernsey, GY1 1EW

Telephone: +44 (0) 1481 723030

E-mail: [enquiries@trustandpension.com](mailto:enquiries@trustandpension.com)

Visit: [www.trustandpension.com](http://www.trustandpension.com)

## 4. APPENDIX 1

(For South African domestic Members)

### Exchange Control Regulations

In respect of South African domestic Members, all contributions (Member and Company) are made under the individual annual discretionary foreign allowance (Currently R1 million per calendar year).

All foreign travel allowances are included in this allowance and all contributions to ELEMENTS will reduce the allowance accordingly.

It is the Member's specific responsibility to ensure that they do not exceed the total discretionary allowance of R1million per year and exceed their annual allowance.

## 5. APPENDIX 2

Information that should be included in a Letter of Wishes:

#### Address to:

Overseas Trust and Pension Limited  
2nd Floor, Elizabeth House, Les Ruettes Brayes,  
St Peter Port, Guernsey, GY1 1EW

#### Include:

- Your full name
- Your Plan number

#### Suggested opening text:

*"Upon my death, I would be grateful if you would give favourable consideration to my wishes regarding the payment of benefit under the above Pension Plan to the Named Beneficiary (ies) detailed below"*

#### List of your Named Beneficiary (ies):

- Full name(s)
- Residential address(es)
- Date(s) of Birth
- Contact numbers
- Relationship(s) to you
- Percentage of the value of the Plan assigned (Total nominations must add up to 100%)
- Confirmation of how you would wish the benefit to be distributed.

#### Suggested closing text:

*"I confirm that these are my wishes and I understand that they have no legal effect on the Trustee and Plan Administrator.*

*I do not wish in any way to fetter the discretion of the Trustee and Plan Administrator."*

Signature

Date



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