

# Connect

Issue 09 | 2025

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# From the editor

Welcome to the 2025 edition of Connect, our client newsletter where we explore a range of topical issues that could have real significance for you.

In this issue, we delve into the UK government's 2024 Autumn Budget - a landmark moment for British expatriates - as we examine the end of the domicile regime and the shift towards a residency-based system for UK inheritance tax. These changes bring both challenges and fresh opportunities for those planning to leave the UK, those already living abroad, and those considering a return.

We also take a closer look at how annuities can help create sustainable retirement income, and why understanding death benefits is crucial for preparing you and your family for life's inevitable uncertainties.

In addition, we unpack the importance of a bank's credit rating, and explain how a pension can support visa applications for international relocation.

This edition also shines a light on our charitable initiatives and shares exciting updates on the digital transformation journey that we are embarking on this year, which is designed to enhance how we work, improve efficiency, and strengthen security across our organisation.

Finally, we introduce our new electronic certification process, making document certification quicker and more convenient than ever, and give thanks to our clients for updating their investment direction.

We hope that you enjoy this edition of Connect and find the insights valuable. As always, we welcome your feedback and suggestions.

**Courtney McKnight,**  
Marketing Communications Officer

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# EMBRACING CHANGE: OUR DIGITAL TRANSFORMATION JOURNEY STARTS IN 2025

As we step into 2025, we are embarking on a significant digital transformation journey that will reshape the way we work, enhance efficiency, and improve security across our organisation. This year promises to be a busy and exciting one as we modernise our technology landscape to better serve our clients, their advisers and employees alike.

## A Unified Approach to Systems and Data

One of the key pillars of our transformation is the integration of our disparate internal systems. By streamlining processes and consolidating data, we aim to create a better connected and more agile environment that supports collaboration and informed decision-making.

Additionally, we are replacing our legacy Document Management System (DMS) with a modern and robust SaaS-based solution. This will not only enhance document accessibility and collaboration, but also ensure greater scalability and security in managing critical information.

**AS WE STEP INTO 2025, WE ARE EMBARKING ON A SIGNIFICANT DIGITAL TRANSFORMATION JOURNEY THAT WILL RESHAPE THE WAY WE WORK, ENHANCE EFFICIENCY, AND IMPROVE SECURITY ACROSS OUR ORGANISATION.**

## Embracing the Cloud for Greater Resilience

Our data centres will be migrating to the cloud, a move that will significantly enhance our resilience and disaster recovery capabilities. Cloud-based infrastructure will provide greater flexibility, reduce downtime, and ensure business continuity in an increasingly dynamic digital landscape. Everyone in the OTAP team will be provided with both the hardware and software tools to work securely and flexibly from any location that has a stable internet connection, again improving our resilience to provide all of our customers with the service that they expect.

## A Fully Integrated Communication Experience

Communication is at the heart of productivity, and we are busy rolling out a new cloud-based telephony system that integrates seamlessly with our existing productivity tools. This will enable better connectivity, enhanced collaboration, and a more cohesive digital workspace, whilst ensuring it is easier than ever to reach us.

## Strengthening Cyber Security With a Zero Trust Approach

As we advance our technology stack, we are also placing a stronger emphasis on cyber security. We are adopting a Zero Trust approach to system access, ensuring that every user and device is continuously verified before gaining access to critical systems and data. This is particularly important in the current landscape of cyber threats, making lateral movement through our systems all but impossible, should an attacker ever gain access to our security perimeter.

Further, we are enhancing user training programs to bolster cyber awareness across the organisation. By empowering employees with knowledge, we can collectively mitigate risks and strengthen our security posture against modern threats, such as A.I. engineered campaigns or Deepfake Phishing.

To complement these efforts, we are implementing new Data Loss Prevention (DLP) technologies. These will provide advanced monitoring and protection mechanisms to safeguard sensitive information from accidental or malicious exposure.

## Looking Ahead

Change brings opportunity, and our digital transformation journey is an investment in our future. These initiatives will create a more resilient, efficient, and secure technology ecosystem, allowing us to continue to deliver our core products and services with improved efficiency and service levels.



# ENSURING A CONTINUOUS SERVICE BY UPDATING YOUR PERSONAL INFORMATION

We have a regulatory obligation to periodically update the personal information that is kept on file for your account. Therefore, we may contact you this year for your assistance.

If your account falls into this year's review cycle, you will receive an email from us, which will explain what information needs to be updated and how to do it. This process is straightforward and can be done online.

In certain circumstances, we may require you to upload copies of documents, such as an updated passport, or to confirm your address etc. These documents will need to be certified and the good news is that there are a number of options available to you in order to make the process less onerous.

## Your Options for Certifying Documents Explained

The below explains the different options that are available in order for you to choose the method that is more convenient for you. However, you don't need to remember these right now as rest assured, our covering email will have detailed explanations and guides to assist you.

### OPTION 1 VIDEO VERIFICATION

For your convenience, OTAP can assist in the certification of your supporting documents by conducting a video verification call with you. We have put together a step-by-step guide for this easy-to-use method. Please click [HERE](#) for the Guide to Digitally Certifying your Documents or visit our website.

### OPTION 2 DIGITAL CERTIFICATION WITH ASSISTANCE FROM YOUR FINANCIAL ADVISER

You can use our Digital Certification Process with the assistance of your adviser, which removes the need for physical document handling or courier services. Please click [HERE](#) for the Digital Certification Guide and click [HERE](#) for the Electronic Certification Form, which is required if you follow this process, or visit our website.



### OPTION 3 MANUAL CERTIFICATION

You can choose to get your documents manually certified. Please note that this must be certified in accordance with our regulatory requirements, and particular attention must be given to the wording of the certification as well as the standing and the authority of the person certifying. See Section 4 of our Certification Aid. To access the Aid, please click [HERE](#) or visit our website.

If your documents are manually certified, these would need to be couriered to one of our offices in Guernsey or South Africa as per below:

**Guernsey Office:** Overseas Trust and Pension, Lefebvre Court, Third Floor, Block B, Lefebvre Street, St Peter Port, Guernsey, GY1 2JP

**South Africa Office:** Overseas Trust and Pension, First Floor, 162 Main Road, Somerset West, Cape Town, South Africa, 7130

### Important Note – Continuation of Our Services

Whilst this information is outstanding, we may be required to temporarily suspend benefit payments and halt additional contributions. This is not an ideal situation as it can impose constraints that are not typically present. We would therefore sincerely appreciate it if you could treat any request to update your personal details with importance as this will assist us with ensuring the normal function of your pension or trust with us.

If you have any questions, please contact us on +44 (0) 3333 078888 or +27 (0) 21 851 5584 or via email at [enquiries@trustandpension.com](mailto:enquiries@trustandpension.com).



# WANT TO LIVE ABROAD? HERE'S HOW YOUR PENSION CAN HELP YOU SECURE A VISA



The term “global citizen” is not a modern concept and can be traced back to Socrates, Marcus Aurelius and Diogenes who all made reference to it thousands of years ago. Arguably, it is a more important concept today than ever before.

A global citizen does not only refer to an individual who works in a different country, but to a person who retires in a different country too. The decision to retire abroad is driven by a number of motivations, including pursuing a better quality of life, making money last longer, being closer to children or simply because living out retirement on the beaches of sunny Spain sounds a lot more appealing than on the streets of gloomy London.

Thus came the birth of the “Retirement Visa”, which was specifically designed by governments to attract and accommodate retirees who are looking to take their hard-earned savings and spend it in a different country. Retirees are an enticing market for foreign governments as these individuals are usually well provided for financially and look to spend money in the country in which they retire, which boosts the economy.

However, these visas are often not easily-won as they are contingent on certain conditions that must be met, including financial requirements, some of which are listed below (Please note that a range of other requirements will likely also need to be met):

## Countries

### SPAIN

To be eligible for Spain’s Non-Lucrative Visa, an individual must have sufficient financial means to live within the country without having to work (e.g. through a pension or rental property). In 2024, applicants were required to prove a minimum monthly income of approximately \$2,576.

### SOUTH AFRICA

The South African Retirement Visa option requires applicants to prove a minimum monthly income of R37,500.

### THAILAND

A Long-Term Residency Visa is available for “wealthy pensioners” who have a minimum unearned or passive income of \$80,000 per year at the time of application (Note that earned income and salaries WILL NOT be considered for the personal income requirement for wealthy pensioners).

### PORTUGAL

Portugal offers a D7 Retirement Visa - the minimum required value to be eligible for this visa is a yearly income of €8,460, plus 50% of this amount for the spouse and 30% for each dependent child.

### MALAYSIA

To apply for a Malaysian Retiree Visa (Malaysia My Second Home), a minimum of £62,000 in liquid assets is required if the applicant is over the age of 50.

### DUBAI

A sustainable yearly income of at least \$49,000 or \$275,000 is required in a three-year fixed deposit.

These conditions are often used as a way to prove financial stability as governments do not want people immigrating to their country to be a burden on the state. This can often be demonstrated in a variety of ways, such as a property purchase, investment income, pension income or other passive incomes.

## International Pension Plans (IPPs)

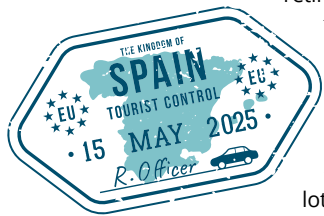
IPPs offer a powerful pathway to securing these visas while also providing a range of additional benefits that can help clients achieve their financial outcomes and residency goals.

For example, an IPP allows retirees to invest in a globally diversified portfolio, which helps them spread risk in later life. With strong asset protection, an IPP also safeguards wealth against detrimental or life-changing events, such as divorce and bankruptcy.

Beyond financial security, an IPP ensures seamless succession planning, allowing any unused pension funds to be distributed to beneficiaries worldwide in a tax-efficient and timely manner. Additionally, it can serve as a tax-efficient way to withdraw funds in a new country. Portugal, for example, offers exemptions on pension income and less taxes, meaning retirees can keep more of their wealth to enjoy their new lifestyle.

In summary, International Pensions not only help clients meet visa requirements, but they also play a crucial role in delivering key financial planning outcomes and ensuring peace of mind and certainty for both the member of the pension and their spouse.

If you are considering living abroad, or if you are already abroad and deliberating your visa options, speak to your financial adviser who will be well placed to assist you.



# HOW ANNUITIES CAN HELP YOU CREATE SUSTAINABLE INCOME FOR RETIREMENT



When it comes to planning for your financial future, one of the most important considerations is how you will turn your accumulated pension savings into a reliable income stream during retirement.

Annuities play a vital role in this process, offering structured income solutions that can be tailored to suit your needs. However, annuities come in different shapes and sizes, so it is important to understand how annuities actually work, and how they can help you prepare for your retirement journey with confidence.

## What Is an Annuity?

An annuity is essentially a method of converting your pension or retirement savings into a series of regular payments over a defined period of time - or even for the rest of your life. Unlike lump-sum withdrawals, annuities aim to provide a steady income stream, helping you budget and manage your expenses throughout retirement. In many countries, annuities are more tax-efficient than lump sum withdrawals, making them desirable.

## How Do Term Annuities Work?

At Overseas Trust and Pension (OTAP), annuities are structured as "Term Annuities", meaning you select a specific time frame for the annuity to be paid. This could be a fixed period, such as 10 years, or to continue for your lifetime.

## Lifetime Annuities vs. Term Annuities: The Key Differences

You may be familiar with Purchased Lifetime Annuities offered by insurance companies, which guarantee an income for life. However, these annuities typically result in the forfeiture of remaining capital upon death, which can be unappealing for some retirees.

In contrast, OTAP's Term Annuities are not purchased from a life insurer. Instead, they are funded directly from your pension account. If you pass away before the end of the term, any unused funds will be distributed to your nominated beneficiaries, ensuring that your legacy is preserved.

While Term Annuities do not offer a guaranteed income like Lifetime Annuities, they provide flexibility and the potential for capital retention, which appeals to many individuals looking for greater control over their retirement assets.

## How a Term Annuity Typically Provides Value Over Time:

**Customisable Term:** You choose the duration of your annuity, which could range from as little as three years to up to your entire lifetime.

**Calculated Income:** The amount of each payment is carefully determined using actuarial principles, taking into account factors like life expectancy, investment performance, inflation expectations, and the term.

**Funded from Your Account:** Payments are made from the investments and cash in your retirement account. If the funds are depleted, the annuity payments will stop.

**Flexible Payment Options:** You can decide whether you would like to receive payments quarterly, half-yearly, or annually.

**Periodic Reviews:** Payments are reviewed every three years, or more frequently as you approach the later years of the term or, age 75 and beyond. This ensures the sustainability of your annuity.

## Why Are Reviews Important?

Annuities rely on investment performance to meet your income expectations. To manage this, we conduct regular reviews of your annuity:

If investment returns are strong and exceed inflation and costs, your annuity payments may stay the same or even increase.

If market performance falls short, your payments may need to be reduced to protect your remaining funds and ensure the annuity lasts until the end of its term.







### The Concept of Critical Yield

A key element of annuity sustainability is the Critical Yield, which is the minimum investment return required to maintain your annuity at its current level. Falling below this threshold may trigger a reduction in payments, whereas exceeding it may allow for increases or stability.

Understanding Critical Yield helps retirees manage expectations and highlights the importance of sound investment management in retirement.

### Investment and Tax Considerations

Investment strategy plays a crucial role in sustaining your annuity. Your portfolio should be managed with the specific goal of achieving or surpassing the Critical Yield over the term of the annuity.

Additionally the tax treatment of annuity payments can vary significantly, depending on where you reside and how you choose to access your benefits - whether through annuity income, lump sums, or drawdowns. Seeking specialist advice on taxation is essential to making the most of your retirement income.

**OTAP'S TERM ANNUITIES ARE NOT PURCHASED FROM A LIFE INSURER. INSTEAD, THEY ARE FUNDED DIRECTLY FROM YOUR PENSION ACCOUNT. IF YOU PASS AWAY BEFORE THE END OF THE TERM, ANY UNUSED FUNDS WILL BE DISTRIBUTED TO YOUR NOMINATED BENEFICIARIES.**

### Making an Informed Decision

Before setting up an annuity, you will receive a personalised illustration to help you fully understand how the annuity works, including the risks and potential for variation in payments over time. It is vital to feel confident in your understanding before committing.

### Supporting You and Advice on Your Retirement Journey

We are committed to providing tailored solutions to help you make the most of your retirement years with clarity and confidence. While we do not provide financial or tax advice, we strongly recommend that you consult your financial adviser who can guide you on structuring your income in retirement and an approach that suits your personal circumstances best.

## News & updates

### Certifying Your Documents Has Never Been Simpler

We are thrilled to introduce our brand new electronic certification process for any document, including Proof of Address (POA) and Proof of Identity (POI). This has been designed to streamline your experience and save you time and money, while eliminating the need to courier originally signed documents or arrange video verification calls. For a step-by-step guide on how this simple process works, click [HERE](#) or visit our website at [www.trustandpension.com](http://www.trustandpension.com).

### Investment Direction Update

Thank you to all of our clients who have submitted their investment direction acknowledgements to us. We have had an impressive response rate of over 98%. If you are reading this and you have not yet submitted your acknowledgement, please get in touch with us.

### The Value of Advice

It is important to review your investment performance on a regular basis, irrespective of the product you have with us, be it a Trust, Retirement, Pension or Savings Plan.

We encourage all our clients to meet with their selected financial adviser or discretionary investment manager at least once a year as this will help to ensure that their portfolio is managed in a way that is relevant to their individual objectives, attitudes and circumstances.

If you no longer have a selected financial adviser, or if you have lost contact with your Financial Adviser, please contact us urgently as this means your investments do not have independent oversight from a regulated investment professional.

You can find our full contact details below the 'Get in touch' section on page 15.



# A TURNING POINT FOR BRITISH EXPATRIATES: THE END OF DOMICILE AND THE RISE OF RESIDENCY FOR UK INHERITANCE TAX

As an expatriate, planning often means navigating a maze of cross-border rules, especially when it comes to inheritance and inheritance taxes. One of the most significant shifts has just taken place in the UK, and it is set to make financial planning far clearer for British citizens living abroad.

The UK government's 2024 Autumn Budget has marked the end of "domicile" as the determining factor for inheritance tax (IHT). In its place, a new residency-based approach came into effect from 6 April 2025, giving expatriates a fairer and more transparent system for assessing IHT exposure.

Here is what is changing, what it means for you, and why this reform offers both challenges and fresh opportunities for those looking to leave the UK to go abroad, those already abroad and those seeking to return.

## Out With Domicile: Why the Change Matters

Previously, UK IHT liability hinged on the concept of "domicile" - a common law principle that is notoriously complex. You could live abroad for decades and still be considered UK domiciled, with your worldwide assets falling under the UK tax net.

The issue? Domicile could only be definitively assessed after death, which left many British expatriates' estates exposed to tax surprises, even with careful planning.

This system is now being replaced by a rules-based, long-term residence (LTR) test, which is a major improvement in terms of predictability and fairness.

## The New Long-Term Residence (LTR) System

Under the new rules:

- If you have been UK resident for 10 out of the last 20 tax years, your worldwide estate will be subject to UK IHT.
- If not, only your UK-based (UK situs) assets will be within the IHT scope.

This change allows for far greater certainty and enables you to plan your estate and financial affairs with confidence.

## A Tapered Exit from the UK Tax Net

A helpful element of the reform is the taper relief, which is designed to reflect how long someone has been away from the UK, when the new rules came into force:

- If you were UK resident for 10 to 13 years of the last 20, you will remain within the IHT scope for only 3 years, provided you do not become UK resident in that period.
- Each additional year of residence adds one more year to the exposure period.
- The maximum scope is capped at 10 years.

For example, as an expatriate of the UK, if you lived in the UK for 15 of the last 20 years, your estate would be in scope for UK IHT for 5 more years after which you become non-resident in the UK. For those seeking to leave the UK and not already abroad, it takes 10 consecutive years of non-residency from the UK to become non-UK resident.

Whilst still onerous, it is a fairer, phased system that rewards long-term emigration with a release from UK tax obligations.





## Returning to the UK? Relief Still Applies

If you have been non-UK resident and then return to the UK, you will not be treated as a long-term resident for IHT purposes until you have spent 10 out of the last 20 years as a UK resident. This is a valuable feature for those considering a move back to the UK later in life as it can mean that you are free from UK IHT for up to 10 years from your return.

Additionally, a foreign income and gains (FIG) exemption will apply to returning individuals during their first 4 years of UK tax residency, if they were non-resident for the previous 10 years. However, it is worth noting that this relief does not apply to certain foreign pensions or offshore bonds and advice should be taken prior to return.

## Considerations for Mixed-Domicile Couples

As with any legislation, there is often a quirk, and the new rules are no different when it comes to the transfer of assets between spouses on death as it relates to i) assets held in the UK or ii) cases where the deceased had long-term resident status.

In short, if the receiving spouse is not UK domiciled, as per the common law principles of domicile, then only the first £325,000 of interspousal transfers is exempt from IHT, unless the spouse elects to be treated as UK domiciled.

From April 2025, the non-domiciled spouse of a long-term resident can elect to be treated as a UK domiciled person by electing to become a long-term resident themselves. This election lasts until they have been non-resident for 10 consecutive years, helping to maintain IHT exemptions for interspousal transfers.

However, making such an election is not without pitfalls, as it would draw that party's worldwide estate within the scope of UK IHT. Therefore, careful consideration should be given before electing to become a long-term resident.

## Changes to Pensions and Inheritance Tax

Another key change is that from 6 April 2027, most UK pensions and Qualifying Non-UK Pension Schemes (QNUPS) will no longer be exempt from inheritance tax. This means that unused pension funds, as defined above, and death benefits may be included in your estate for IHT purposes.

However:

- Contributions to these pension schemes will still be excluded from lifetime transfer charges.
- Tax-deferred growth within the scheme continues to be allowed.
- From a UK perspective, distributions are only taxed if the member is UK tax resident.
- Where the individual is non-UK resident, foreign pensions are not subject to UK IHT, as the asset is not UK situs.

This change reinforces the need for thoughtful and future-focused financial planning, particularly for those still within the 10-year LTR window.

## How You Can Plan Ahead

While the changes add complexity, they also offer clarity - and with clarity comes opportunity.

Here are some key actions for expatriates to consider:

### Assess Your LTR Status

Understanding whether you are inside or outside the 10-year test window is essential, as it will help determine whether your worldwide assets are exposed to UK IHT.

### Review Your UK Assets

Even once you are outside the IHT net for worldwide assets, UK-based assets remain taxable. It may be appropriate to restructure holdings to reduce future liability.

### Consider Asset Location

Holding assets in tax-neutral jurisdictions can provide simplicity and protection, helping to avoid the complications of cross-border probate, double taxation, or forced heirship rules.

### Future-Proof Your Estate

Ensure your plans can adapt. Whether you move again, return to the UK, or experience changes in your family situation, having portable and flexible financial structures is key.

### Final Thoughts

These reforms represent a turning point in UK tax policy for expatriates. By moving to a rules-based system, the UK government is providing a much-needed framework for planning - one that is predictable, logical, and crucially easier to navigate.

If you are currently living outside the UK, or planning to do so, now is the time to reassess your IHT exposure, review your estate planning, and consider the steps you can take to ensure your wealth passes on according to your wishes - with as few surprises as possible.

As always, we encourage you to speak with your financial adviser to explore how these changes may apply to your personal circumstances and how best to take advantage of the changes.

**A NEW RESIDENCY-BASED APPROACH CAME INTO EFFECT FROM 6 APRIL 2025, GIVING EXPATRIATES A FAIRER AND MORE TRANSPARENT SYSTEM FOR ASSESSING IHT EXPOSURE.**

# PREPARE FOR LIFE'S EVENTUALITIES TODAY: A GUIDE TO DEATH BENEFITS



Planning for the future is a key part of financial security, and ensuring that your loved ones are taken care of, should the unexpected happen, is an essential part of financial planning. Death benefits form a crucial component of pension schemes, providing financial support to beneficiaries upon a member's passing.

Understanding how these benefits work can help ensure that you and your family are well-prepared for life's unpredictable yet inevitable events.

## What Are Death Benefits?

Death benefits refer to the funds that are left in a pension or retirement plan when a member passes away. These funds can be distributed to the nominated beneficiaries, ensuring that a late member's wishes are honoured and their dependents are supported. However, the process of distributing these funds is guided by specific rules and the discretion of the pension trustees.

**DEATH BENEFITS FORM A CRUCIAL COMPONENT OF  
PENSION SCHEMES, PROVIDING FINANCIAL SUPPORT  
TO BENEFICIARIES UPON A MEMBER'S PASSING**

## Who Is Eligible to Receive Death Benefits?

A pension scheme member is the sole beneficiary of their Plan during their lifetime. However, they can nominate one or more individuals to receive any remaining funds after their passing. These individuals, known as nominated beneficiaries, have no rights to the Plan until the member's death. Once the pension provider has been notified of the member's passing, the trustees assess the nominated beneficiaries and determine how the benefits will be allocated.

## The Role of Trustees in Appointing Beneficiaries

The trustees play a vital role in distributing death benefits. Some of the key considerations which may apply include the below. However, the rules

of different schemes will have a bearing on these considerations, some which may or may not apply.

- The deceased member's stated wishes, which is arguably the most important factor.
- The financial circumstances of the nominated beneficiaries.
- Any legal obligations, such as dependents' rights.
- The practicality of the proposed distributions (e.g., liquid versus illiquid assets).

While the trustees generally aim to follow the deceased's wishes, there may be circumstances – such as a beneficiary predeceasing the member – where adjustments must be made. The final decision rests with the trustees, ensuring fairness and compliance with pension regulations.



## The Process of Claiming Death Benefits

For a nominated beneficiary to receive funds from a pension plan, certain steps must be completed:

### 1. Notification of the Member's Passing

The pension provider must be formally informed, typically through a Death Notification Form and a certified copy of the death certificate.

### 2. Assessment of Nominated Beneficiaries

The trustees review the deceased's nominations, validate the nominated beneficiaries, and assess their financial position if specifically required by the rules of the pension plan.

### 3. Submission of Required Documents

Nominated beneficiaries need to provide:

- A completed Death Benefit Payment Form.
- A certified copy of proof of address (such as a passport or an ID).
- A certified copy of bank account details (if applicable).
- A certified copy of proof of address.

### 4. Trustee Decision and Payment Processing

Only once all information is received in respect of the nominated beneficiaries, can the trustees review, appoint and approve the payment.

**BY UNDERSTANDING HOW DEATH BENEFITS WORK, PENSION SCHEME MEMBERS CAN ENSURE THAT THEIR LOVED ONES ARE FINANCIALLY SECURE.**

## How Long Does it Take to Receive Death Benefits?

The timeframe for receiving death benefits varies. In straightforward cases, where assets are liquid and the member's wishes are clear, payments are typically processed within six weeks of receiving all necessary documentation. However, delays may occur if:

- There are multiple nominated beneficiaries.
- Beneficiaries are difficult to contact or slow in submitting documents.
- The plan contains illiquid assets that need to be sold.

Trustees prioritise financially dependent beneficiaries, aiming to expedite payments where possible.

## What Are the Options for Receiving Death Benefits?

Beneficiaries generally have flexibility in terms of how they receive the funds. Common options include:

- **Lump-Sum Payment:** A one-time payout of the allocated funds.
- **Transfer to a New Pension Plan:** Keeping the funds invested for long-term growth.
- **Establishment of a Trust:** Providing structured payouts to manage financial security over time.

The preferred option will depend on personal financial circumstances and tax implications, which is why professional advice is recommended.

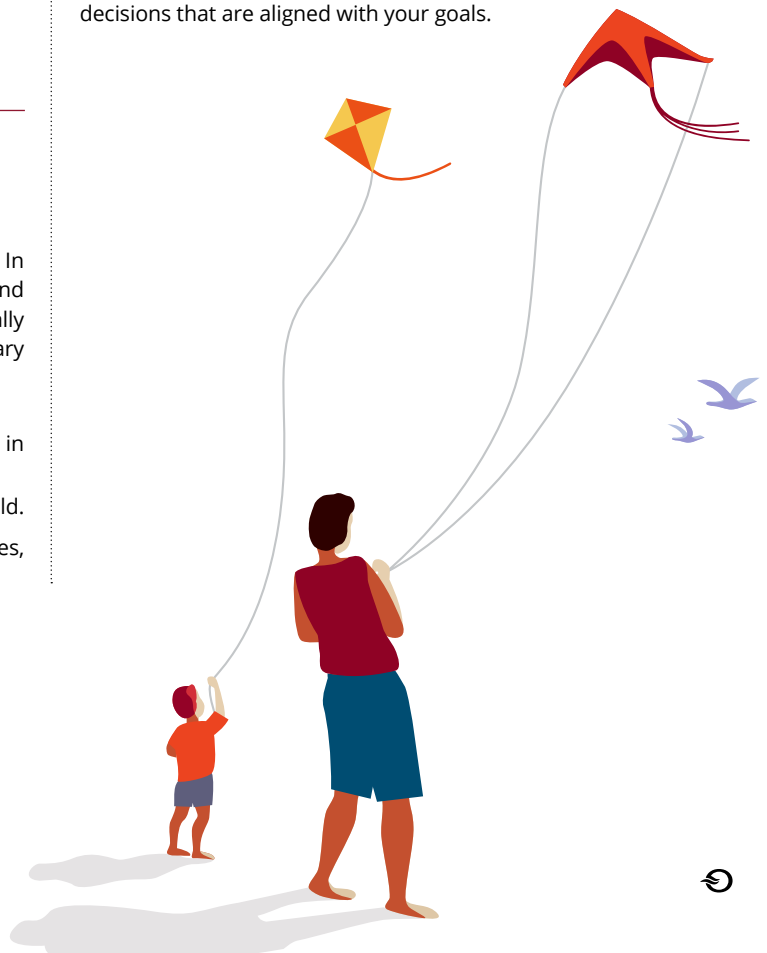
## Why Understanding Death Benefits Matters

By understanding how death benefits work, pension scheme members can ensure that their loved ones are financially secure. Here are a few key takeaways:

- Regularly review and update nominated beneficiaries to reflect life changes.
- Inform your beneficiaries about your pension plan and their potential entitlements.
- Seek professional financial advice to optimise tax efficiency and distribution preferences.

To view our full guide on receiving benefits from a Pension or Retirement Plan for beneficiaries, please click [HERE](#).

Planning for the future today ensures peace of mind for both you and your loved ones. If you need further guidance on death benefits, consult with your financial adviser who can help you make informed decisions that are aligned with your goals.



# WHY A STRONG CREDIT RATING MEANS A SAFER PLACE FOR YOUR MONEY

In today's complex and interconnected financial world, choosing the right bank is an essential decision for anyone looking to safeguard their money.



One of the most critical factors to consider when evaluating a bank's trustworthiness and reliability is its credit rating, as a bank's credit rating offers a snapshot of its financial health, risk profile, and its ability to meet its financial obligations.

Understanding the role credit ratings play can empower you to make better-informed decisions about where to place your hard-earned money.

## What Is a Credit Rating?

A credit rating is essentially an assessment of a bank's creditworthiness, which reflects its capacity to repay debts and manage financial risks. This rating is assigned by independent credit rating agencies, such as Standard & Poor's, Moody's, and Fitch Ratings. Credit ratings range from AAA (the highest rating) to D (the lowest), with various intermediate levels indicating different degrees of risk.

For instance, a bank with a high credit rating, such as AAA or AA, is considered financially stable, with a low risk of defaulting on its obligations. Conversely, a bank with a lower credit rating, such as B or C, may be experiencing financial difficulties or taking higher risks, which could translate into an unstable financial environment.

**THE IMPORTANCE OF CREDIT RATINGS WHEN SELECTING A BANK CANNOT BE OVERSTATED. NOT ONLY DO THEY PROVIDE VALUABLE INSIGHT INTO A BANK'S FINANCIAL STABILITY, BUT THEY ALSO DIRECTLY IMPACT YOUR ABILITY TO SAFEGUARD YOUR MONEY, ACCESS COMPETITIVE FINANCIAL PRODUCTS, AND TRUST IN THE INSTITUTION'S LONG-TERM VIABILITY.**

## Why Does a Credit Rating Matter?

Credit ratings are vital as they provide an objective measure of a bank's financial stability and operational strength. Here's why they matter when choosing where to bank.

### 1. Indication of Financial Stability

A high credit rating is a clear indicator of financial stability. Banks with strong credit ratings are generally better capitalised, more resilient to market fluctuations, and more likely to weather economic downturns. They are also more likely to offer competitive rates and products, as they can attract investors more easily due to their strong creditworthiness.

On the other hand, banks with low credit ratings may struggle with liquidity and financial instability, making them a riskier option for depositing your funds. If a bank is highly leveraged or experiencing financial distress, it may not have sufficient resources to cover sudden withdrawals, which could put your money at risk.

### 2. Implications for Depositor Protection

When considering the safety of your funds, it is crucial to evaluate how well-protected your money is in the event of a financial crisis. Many countries have depositor protection schemes in place, which insure deposits up to a certain limit in the event of a bank failure. However, the effectiveness of these schemes can be influenced by the financial health of the bank and the country's regulatory framework.

Banks with higher credit ratings are more likely to have sound risk management practices and financial buffers in place to avoid insolvency. This reduces the likelihood of needing depositor protection in the first place. Conversely, a bank with a low credit rating may face heightened risk of failure, which could strain or deplete the protection scheme, leaving depositors exposed to potential losses.

### 3. Impact on Loan and Deposit Rates

Credit ratings also have an indirect impact on the interest rates a bank offers for loans and deposits. Banks with higher credit ratings are able to borrow money at lower interest rates, as investors view them as lower risk. This allows them to offer more attractive rates on savings accounts, term deposits, and loans.

In contrast, banks with lower credit ratings are often required to pay higher interest rates to attract capital, which can lead to higher rates on loans and lower rates on deposits. While this might seem appealing in the short term, higher interest rates can also signal a higher level of risk, as the bank needs to compensate investors for the perceived risk of lending.

#### 4. Long-Term Viability and Trustworthiness

Your relationship with a bank is long-term. You need to trust that your bank will remain a reliable partner throughout your financial journey. A bank's credit rating is one of the best ways to assess its long-term viability. Strong credit ratings indicate that the bank has a proven track record of managing risks, meeting its obligations, and maintaining its operations even in challenging economic conditions.

Choosing a bank with a stable credit rating can give you peace of mind that your money will be protected, your accounts will remain secure, and your financial interests will be safeguarded over time.

#### What Does a Low Credit Rating Mean for Deposit Holders?

When a bank has a low credit rating, it is an indicator of financial distress, and this could spell trouble for depositors. If a bank is downgraded to a junk status rating, it could be more vulnerable to market fluctuations and may face difficulties in meeting its financial obligations. While most countries have systems like deposit insurance to protect retail depositors up to a certain threshold, relying on such protection should not be your primary strategy.

A low credit rating may also result in reduced consumer confidence in the bank, which can lead to a run on the bank - a scenario where many depositors rush to withdraw their funds at once, potentially leading to liquidity problems. In extreme cases, banks with poor credit ratings may need to seek a bailout or face bankruptcy, with depositors potentially losing access to their funds for an extended period.

#### Conclusion

The importance of credit ratings when selecting a bank cannot be overstated. Not only do they provide valuable insight into a bank's financial stability, but they also directly impact your ability to safeguard your money, access competitive financial products, and trust in the institution's long-term viability.

High credit ratings are often a sign of financial prudence, efficient risk management, and a solid commitment to protecting depositors' funds. When making banking decisions, always consider the credit ratings of the institutions you are trusting with your money, and remember that financial safety is as much about choosing a secure institution as it is about taking advantage of the services that best meet your needs.

**Capital International Bank Receives AAf/S1+ Rating by S&P Global:** We are delighted to share that S&P Global have provided one of our banking partners, Capital International Bank, with an AAf/S1+ rating for their Excess Fiduciary Account. This is a significant milestone as it represents one of the strongest credit ratings in the industry, which reinforces our decision to select CIB as a banking partner. To read the S&P Global Press Release on this development, click [HERE](#).





# CHARITABLE WORKS

Creating Lasting Change: Our Team's Passion for Giving

Over the past year, our team has been on a mission to champion meaningful causes that make a real difference. Some of these initiatives have touched lives in our own backyard, while others have reached communities far beyond.

## Helping Children Manage Their Emotions by Playing it Cool

At the heart of our efforts is CoolPlay, a non-profit organisation that transforms sports into a powerful tool for growth. By providing a safe and structured space after school, CoolPlay helps underprivileged children not only stay active but also develop essential life skills under the mentorship of dedicated coaches.



More than just a game, CoolPlay's program teaches resilience, empathy, and confidence – arming these young learners with the mindset to break free from the cycle of poverty. The impact is undeniable: lives are changed, and futures are rewritten.

## Breaking Barriers for Young Women

For many young girls, the inability to afford basic sanitary products means missing school and falling behind. As the cost of living continues to rise, this challenge is growing - but we refuse to let it go unnoticed.

Our Sports and Social Committee is stepping up, committing to support one underprivileged school per year by supplying sanitary products and shedding light on the struggles these young women face.

With a simple yet powerful idea, they have turned generosity into a game: every quarter, a raffle is held where the only entry fee is a pack of sanitary pads. In 2023, these donations were delivered to Firgrove Primary School in Somerset West, where many students come from disadvantaged backgrounds.

The impact? Life-changing. By ensuring access to these essential products, we are not just helping young women stay in school - we are restoring their dignity, boosting their confidence, and ensuring they never have to choose between education and their basic needs.

## Bright Tights for Healthcare Rights

On Friday 1st November, our Guernsey team made a statement for Bright Tights Day, a moving annual event in the Bailiwick that has been funding research and supporting those affected by gynecological cancers since 2011. We were proud to stand with them - and we also collected donations to help change lives.



## Spreading Christmas Cheer in Guernsey

Last Christmas, our Guernsey team joined the Tree of Joy campaign to bring smiles to children who might otherwise go without a Christmas gift. Through this incredible initiative, run by the Rotary Club of Guernsey, anonymous nominations ensure that deserving children receive a meaningful present. For 30 years, the campaign has made Christmas brighter for thousands - and we are proud to have played a small part in continuing that tradition.

## Eggstra Smiles This Easter: A Gift From the Guernsey Team

This Easter, the Guernsey Team helped spread a little extra joy by donating Easter eggs to the Guernsey Welfare Service, bringing smiles to those who needed it most.

The Guernsey Welfare Service, which provides vital support to individuals and families facing financial hardship, warmly welcomed the donations. Thanks to this small but meaningful gesture, many people were able to enjoy a brighter, sweeter Easter weekend - a reminder that even simple acts of kindness can make a real difference.





# Get in touch

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## Points of contact

In order to deal with your enquiry efficiently, please use the appropriate email contact below. If you are unsure of which area you should be dealing with, please contact us on: **+44 (0) 3333 078 888**

Overseas Trust and Pension, Lefebvre Court, Third Floor, Block B, Lefebvre Street, St Peter Port, Guernsey, GY1 2JP.

In order to keep up to date with terms, conditions and charges, please visit our website at [www.trustandpension.com](http://www.trustandpension.com)

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## Your Financial Adviser

If you have a Financial Adviser, we recommend using them as your primary point of contact as they are best placed to advise you on all aspects of the services you use with us. However, should you wish to contact us directly, you are welcome to do so using the details provided.

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## Corporate Clients

### All enquiries

All enquiries or actions relating to International Company Pensions, Local Company Pensions and Share Option Schemes should be sent to the email address below:

@ [operations@trustandpension.com](mailto:operations@trustandpension.com)

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## Private Clients

### Enquiries

All enquiries or actions relating to existing individual Plans or Trusts need to be directed to our Customer Support Department using the details below:

- This includes upgrades, valuations, loans, updating Client details, benefit payments, distributions, withdrawals etc.
- Any amendments or change of selected Advisers are also dealt with in this area.

@ [enquiries@trustandpension.com](mailto:enquiries@trustandpension.com)

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### Investment requests

All requests relating to investments, including in-specie transfers, switches, purchases and sales need to be sent to our Dealing Department using the details below:

@ [dealing@trustandpension.com](mailto:dealing@trustandpension.com)

For more information regarding investment requests, please refer to our Private Client Investment Request Policy on our website.

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### Applications and additional contributions

All new applications and additional contributions should be submitted to our New Business Department using the details below:

@ [applications@trustandpension.com](mailto:applications@trustandpension.com)

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