

The Momentum Isle of Man Pension Plan

Scheme Particulars

IMPORTANT INFORMATION

This document comprises the Scheme Particulars relating to The Momentum Isle of Man Pension Plan and it has been produced in accordance with the Retirement Benefit Schemes Act 2000 as issued by the Isle of Man Financial Services Authority.

Momentum Pensions Limited does not give legal, tax or investment advice. This document is designed for general use only. It should not be relied on as advice.

Before you act on any information supplied by Momentum Pensions Limited you should first seek independent tax, legal and/or financial advice. You are advised to ensure that any such adviser is licensed by the appropriate regulatory body.

Whilst all reasonable care is taken to ensure that the information and data is accurate, we do not warrant this and all liability is expressly excluded. No liability is accepted, whether in contract, tort or otherwise for any loss, damage or expense which may have incurred as a result of any reliance or non-reliance on any of the information contained within this summary.

Statements in this document are based on information available, the law and practice in force in the Isle of Man at the date of publication and are subject to change.

The Scheme should not be considered as the primary or only source for retirement provision and it should be considered with other retirement provisions including mandatory/voluntary occupational schemes that may be introduced in the foreseeable future.

PRINCIPLE PARTIES & REGISTERED OFFICES

Trustee and Administrator

Momentum Pensions Limited ("The Scheme Administrator")
Westemoreland House, 32 Circular Road, Douglas, IM1 1AE, Isle of Man

DEFINITIONS

“Act” means the Isle of Man Retirement Benefit Schemes Act 2000;

“Administrator” means the administrator of the Momentum Isle of Man Pension Plan;

“Authorised Scheme” means a Scheme approved by the Isle of Man Financial Services Authority;

“Member” means a person accepted by the Trustees as a Member of the Scheme;

“Net Scheme Assets” means the Scheme Assets less any Scheme liabilities;

“Protected Rights” means such additions to Scheme Assets as may be contributed or may have been contributed by the Isle of Man Government and UK Government to the Scheme or to schemes from which assets in relation to a new Member are transferred into the Scheme, as rebates of part of the National Insurance contributions of Members who have contracted out of Isle of Man or UK state pension schemes;

“Personal Data” refers to information that relates to you and allows Momentum to identify you, either directly or in combination with other information that we may hold.

“QROPS” means Qualifying Recognised Overseas Pension Scheme that is recognised by HMRC and able to receive transfers from qualifying UK pension schemes;

“Rules” means the rules of the Scheme;

“Scheme” means the Momentum Isle of Man Pension Plan;

“Scheme Assets” means the Initial Fund and all further Property paid or transferred to the Trustee as additions to the scheme assets managed under the provisions of the Scheme, all Property accruing thereto by way of capital accretion, all Property acquired by the Trustees, all accumulations of income accruing to any such Property;

“Scheme Year” means the period of 12 months commencing from the date of the establishment of the Scheme and each successive period of 12 months thereafter;

“Trustee” means the Trustee of the Momentum Isle of Man Pension Plan;

“Trust Deed” means the trust deed relating to the Momentum Isle of Man Pension Plan;

REGULATORY STATUS

The Momentum Isle of Man Pension Plan is domiciled in the Isle of Man and registered as an approved Retirement Benefits Scheme under the Retirement Benefit Schemes Act 2000.

The Scheme Trust Deed and Rules are provided by Momentum Pensions Limited, a Retirement Benefits Scheme Trustee and Administrator, authorised and regulated by the Isle of Man Financial Services Authority.

The Momentum Isle of Man Pension Plan is recognised by Her Majesty’s Revenue & Customs (HMRC) as a Qualifying Recognised Overseas Pension Scheme (QROPS).

ROLE OF TRUSTEE

The Momentum Isle of Man Pension Plan is established by a declaration of trust.

The Trustees of the Scheme are Momentum Pensions Limited who have clear and specific obligations under the Act. In addition to the powers which the Trustees have by law, they have additional powers and discretion as the legal owner of the Trust Fund: including the power to adopt and amend rules regulating the operation of the Scheme and the rights of Members to benefit.

A separate Sub-Fund of the Trust shall be established for each Member, and the Trustees will appoint any Scheme Assets received from the Member, or held in relation to a Member, to the Sub-Fund.

ROLE OF ADMINISTRATOR

Momentum Pensions Limited has been appointed as Administrator of the Scheme under the Retirement Benefit Schemes Act 2000, and the Administrator shall have such duties and powers in relation to the Scheme as provided for by the laws of the Isle of Man and the Scheme Rules.

The Administrator will ensure that the Scheme Assets are in line with our investment guidelines and properly diversified.

AVAILABILITY AND PERMITTED MEMBERS

The Momentum Isle of Man Pension Plan is available to all nationalities including Isle of Man residents, allowing UK expatriates with deferred UK pension funds access to the Scheme via its status as a QROPS.

Participation in the Scheme should be considered with other retirement provisions currently in force including voluntary or occupational schemes. Potential Scheme Members should seek professional advice on the suitability of the scheme and any related tax implications that may arise.

RETIREMENT DATES

Retirement may take place between the ages of 55 and 75. Benefits draw down must commence before the age of 75.

ANTI-MONEY LAUNDERING PROCEDURES

The Isle of Man complies with international standards to prevent money laundering. As part of this, we have a requirement to verify the identity of all of our clients, and each Member of the scheme will be required to provide the Scheme Administrators with proof of identity in a manner as prescribed by Isle of Man regulations. We will require either sight of original, or verified copies, of proof of identity (passport, full driving licence) and proof of address (recent utility bill or bank statement).

DATA PROTECTION AND PRIVACY STATEMENT

Momentum Pensions Limited collects personal information about you at various points during your Membership to our Momentum Isle of Man Pension Plan including when becoming a Member or using our website. Momentum collects various categories of information, including but not limited to; personal identifiers, contact, social relationships, financial data and documentary data.

Personal data is predominantly collected through the Momentum application form and any subsequent interactions. We collect your personal data primarily to administer and run your pension Scheme, which may involve seeking, receiving and processing instructions from you and/or your

appointed financial advisor and to fulfill both our regulatory obligations and our obligations towards you.

Momentum have in place appropriate security measures to prevent your personal data from being accidentally lost, used or accessed in an unauthorised way, altered or destroyed. We will ensure that when your personal data is shared, this is done in a secure manner and in line with the requirements set by the applicable Regulation.

For further information regarding your rights and the way we collect and process your personal data you may view our privacy statement which can be accessed from Momentum's website <https://www.momentumpensions.com/media/1252/data-protection-policy-iom.pdf>

BANK ACCOUNT

Any funds received will be held by Momentum Pensions Limited on behalf of the Member in the company's clients account, currently held with Barclays Private Clients International Limited. Officers of Momentum Pensions Limited will be the sole signatories.

TRANSFERABLE SCHEMES

Pension benefits held in a UK Registered Pension Scheme or QROPS can be transferred to the Momentum Isle of Man Pension Plan.

Following the introduction of the Overseas Transfer Charge (OTC) from 9th March 2017, a tax charge of 25% may be imposed on benefits transferring from (or which originated from) a UK Registered Scheme requested after the 9th March 2017, where the Member is not an Isle of Man tax resident. Detailed pension advice should be sought prior to transferring any existing UK or QROP pension benefits to assess any current or future OTC implications. Further information is included in Annex II.

The Scheme can generally also accept transfers from a range of regulated pension schemes.

It is not possible to transfer the basic UK state pension into the Momentum Isle of Man Pension Plan, or to make a transfer after an annuity has been purchased or Final Salary Schemes are in payment.

INVESTING IN THE PENSION

The Member may choose an appropriate investment strategy in association with their professional adviser, who once authorised, will be duly appointed to manage the underlying investments.

Upon submission of said strategy, Momentum will consider the investment preferences and ensure that each Member's Scheme is managed in line with the relevant regulatory requirements and the Scheme Investment Guidelines, as varied from time to time and available on our website.

In conjunction with their allocated professional adviser, the Member will control their contributions to the Scheme and how the funds should be invested, subject to any investment restrictions imposed by the Trustee. The Trustee will retain ultimate power and discretion with regards to investment decisions.

RECEIVING YOUR PENSION BENEFITS

The Momentum Isle of Man Pension Plan offers the following options at retirement:

- A Pension Commencement Lump Sum of up to 30% of the accumulated fund, and/or
- Income benefits may be taken as regular payments with the maximum annual payment based on the UK Government Actuary's Department (GAD) rates, and/or
- Option to purchase a pension annuity from an insurance provider.

On death, the Trustees may pass these benefits on to your beneficiaries either by way of a lump sum payment or alternatively an income as outlined below. See the Taxation section for further information.

DRAWING AN INCOME

In accordance with the relevant legislation, there is no requirement to purchase an annuity at retirement, however this may be considered.

If the Member chooses to receive a regular income, any residual fund value can go into income drawdown or withdrawal of funds. These withdrawal limits will be within defined parameters and based on the UK Government Actuary's Department (GAD) tables and as agreed with the Isle of Man Assessor of Income Tax.

ANNUAL REPORTING

In compliance with local regulations, the required annual reporting is submitted to the Isle of Man Financial Services Authority.

Scheme Members will receive annual statements showing their fund value.

QROPS REPORTING

In accordance with QROPS regulations, the Scheme Trustee and Administrator will undertake specific reporting requirements to HMRC. The Administrator has an obligation to report to HMRC each time a QROPS makes a payment to a Member.

The Scheme Administrator must report to HMRC where: Pension payments to the Member commence; a lump sum payment is paid; death benefits are distributed.

It is the responsibility of the Scheme to follow the HMRC QROPS reporting rules for 10 years from the date of transfer.

In addition, when benefits are transferred to another QROPS, the Administrator is also obligated to report if the transfer is subject to the OTC and the applicable amount, including the reason why no OTC applies, where relevant.

In addition, when benefits are transferred to another QROPS, the Administrator is also obligated to report if the transfer is subject to the OTC and the applicable amount, including the reason why no OTC applies, where relevant.

The Trustee cannot be held responsible for any penalties, fees or charges levied by HMRC should the Member elect to take their benefits in a way that is incompatible with the QROPS rules.

TAXATION

No Isle of Man tax is payable within the fund on income and capital gains and there is also no Isle of Man tax applicable on the provision of a Lump Sum on commencing to take benefits.

Retirement income payments for Isle of Man residents are taxed according to your current tax code. Income payments to Non-residents are taxed at 20%, unless there is an effective Double Taxation Agreement (DTA) in place with the Isle of Man and your country of residence. If this is the case, you can complete an R221 Form* and issue to the Isle of Man tax office who will provide the relevant Tax code in accordance with provisions within the Tax Treaty.

In the event of Death, the tax treatment of benefits paid to beneficiaries is as follows:

- If income drawdown had already commenced prior to date of death and where the remaining benefits are paid to a Beneficiary as a Lump Sum, the Fund will be subject to a tax of 7.5% prior to any payment. Thereafter, no further Isle of Man tax is payable on this Lump Sum.
- If income drawdown had not commenced at date of death, and the payments are paid to the Beneficiary as a Lump Sum, no Isle of Man tax is payable on this Lump Sum
- If benefits are paid to the Beneficiary as an income, then the tax treatment will depend upon if the Beneficiary is IOM resident or non-resident and if a DTA is place, and the income will be taxed in the same manner as outlined under retirement income.

The Member or Beneficiary in case of death benefits, are responsible for declaring any lump sum or income benefit received to the tax authorities in the country where they are tax resident and the UK, where relevant.

FEES AND CHARGES

The Trustee and Administrator will levy an initial set up fee and annual Trust Fee on establishing the Scheme and charge an annual Trust fee thereafter, on the anniversary of the Member's registration.

Additional fees may be payable as outlined in our Schedule of Fees.

Fees will be deducted from the Member's scheme investments.

Full details are contained within our schedule of fees.

WINDING UP AND DISCONTINUANCE OF THE SCHEME

Upon discontinuance of the Momentum Isle of Man Pension Plan, the Trustee will give notice in writing to wind up the Scheme. Each Member will be notified of their rights and options including the right to transfer the administration and trusteeship to a scheme which is willing to accept the transfer, and which is an Authorised Scheme or such other scheme as may be permitted by the Isle of Man Financial Services Authority. The transfer will include the Net Scheme Assets held by the Trustees at the time, in relation to that Member.

Notice to the Member will include a request to notify the Administrator within 30 days of receipt of the request, of the new administrator or trustee.

In the event that the Member fails to notify the Administrator of their intentions, the Trustees will transfer the Net Scheme Assets to an Authorised Scheme of the Trustees choice, without the Member's consent.

TRUST DEED

The Trust is established as a personal Defined Contribution Scheme which is authorised and approved by the Isle of Man Financial Services Authority. Please contact Momentum Pensions Limited to obtain a copy of the Trust Deed.

**This Form can be accessed at <https://www.gov.im/categories/tax-vat-and-your-money/income-tax-and-national-insurance/forms/non-residents-form/>*

COMPENSATION

There is no statutory provision of compensation for Members of the Scheme; furthermore, the registration of the Scheme is not an endorsement of the financial performance of the Scheme.

TECHNICAL AND REGULATORY INFORMATION

Momentum Pensions Limited is registered as a Retirement Benefits Scheme Administrator by the Isle of Man Financial Services Authority under registration number RA102.

Momentum Pensions Limited is the Trustee and Administrator of the Momentum Isle of Man Pension Plan.

The Momentum Isle of Man Pension Plan is approved by the Isle of Man Assessor of Income Tax under Section 2 Income Tax Act 1989.

Momentum Pensions Limited is not authorised or regulated by the UK Financial Conduct Authority.

All assets within your plan are held under irrevocable trust for your exclusive benefit.

Momentum Pensions Limited does not give financial, legal, tax or investment advice. This document is designed for general information only.

Before you act on any information supplied by Momentum you should first seek independent tax, legal and/or financial advice.

Whilst all reasonable care is taken to ensure that the information and data is accurate, we do not warrant this and all liability is expressly excluded. We do not accept any liability, whether in contract, tort or otherwise for any loss, damage or expense which may have incurred as a result of any reliance on any of the information contained within this documentation.

The Scheme Particulars are intended to provide you with key information pertaining to the Momentum Isle of Man Pension Plan. This is not a statement of the full terms and conditions of the Trust and should be read in conjunction with the Trust Deed and Rules. It is based on our understanding and interpretation of current legislation, regulation and taxation. Every reasonable effort has been made to ensure its accuracy.

CONTACT

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Company Registration Number 122471C

Momentum Pensions Limited is registered as a Retirement Benefits Scheme Administrator by the Isle of Man Financial Services Authority under registration number RA102.

Annex I

Fee Schedule: QROPS

	Lite Scheme	Plus Scheme	Plus Scheme	Pro Scheme
Type of investment	Approved life companies	Approved life companies	Nominated platform	Open architecture structure
Minimum transfer value	£40k	£100k	£100K	£150k
Maximum transfer value	£100k	No limit	No limit	No limit
Number of free pension transfers	4	4	4	4
Set-up fee	£300	£645	£895	0.49% of the contribution Minimum: £1495 Maximum: £2495
Annual trust fee	£525	£895	£945	0.49% of the pension fund value Minimum: £1000
Additional pension transfer fee	£250	£250	£250	£250
Termination fee	Years 1-5: £1500 Year 6 onwards: £1000	Years 1-5: £1500 Year 6 onwards: £1000	Years 1-5: £1500 Year 6 onwards: £1000	Years 1-5: £1500 Year 6 onwards: £1000

Other services

Other services are available and associated fees will be provided upon request for specific events, technical support or investment activity beyond that deemed fair and reasonable in the administration of the pension scheme.

The fee schedule covers Momentum Pensions fees only. There will normally be additional charges in relation to the underlying investments. Charges may also be incurred for any other expenses, including legal expenses, disbursements, taxes and any other costs in connection with your pension scheme.

The Termination Fee will apply where all retirement benefits are taken under flexi-access drawdown or where benefits are transferred to an external pension scheme.

Changes to fee schedule

Momentum Pensions reserves the right to alter this fee schedule by giving 14 days notice prior to any changes that are made.

Should the Lite scheme value rise above the maximum transfer value, the Trustees have the right to upgrade the fee structure to the Plus scheme, after providing the appropriate advice.

Annex II

Overseas Transfer Charge (OTC)

The OTC was introduced in the Finance Act 2017 on certain transfers from a UK Registered Pension Scheme¹ to an Overseas Scheme requested after 8th March 2017. Transfers requested before the 9th March 2017, are not assessable to the OTC.

IOM TAX RESIDENT

Where a Member is IOM tax resident, the OTC will not apply on any transfer to this Scheme.

The transfer will be ring fenced within the Scheme.

Should the Member become non IOM tax resident at any time within five full consecutive UK tax years of the UK transfer ("relevant period"), the OTC will become payable and the Scheme Administrator must deduct 25% of the remaining QROPS ring fenced funds and remit the tax to HMRC. At the end of the relevant period there is no further liability to OTC.

NON IOM TAX RESIDENT

Any transfer of UK pension benefits or ring fenced funds within the relevant period to this Scheme will be liable to 25% OTC on the transfer value.

However, where the OTC was payable on the transfer and the Member subsequently become IOM tax resident (or transfers to another QROPS which satisfies the conditions as below), within the relevant period, it may be possible to reclaim the OTC by notifying the UK Scheme administrator, before the cut-off date which is one year after the end of the relevant period for the transfer concerned.

ONWARD TRANSFER TO ANOTHER QROPS:

Where a Member who initially was not subject to the OTC, subsequently transfers any ring fenced funds to another QROPS during the relevant period, the transfer will be liable to a 25% OTC on the transfer value, unless one of the following five conditions are met:

1. The Member is resident in the same country / territory in which the receiving QROPS is established.
2. The Member is tax resident in the EEA and the receiving QROPS is established in the EEA².
3. The QROPS is set up by an international organisation of which the Member is an employee.
4. The QROPS is an overseas public service pension scheme and the Member is an employee of a public service employer.
5. The QROPS is an occupational pension scheme and the Member is an employee of a sponsoring employer under the Scheme.

The transferred fund remain assessable within the receiving QROPS until the relevant period has elapsed.

¹ Or a transfer of UK tax relieved funds in a Non UK Scheme, or a QROPS which include UK tax relieved benefits which were in scope for the OTC at point of Original UK Transfer.

² EEA includes Gibraltar, Liechtenstein, Norway and Iceland in this context.