



# PANTHEON QROPS LITE

KEY FEATURES

## What is a QROPS?

QROPS is an acronym for **Qualifying Recognised Overseas Pensions Scheme**.

A QROPS is a way to transfer a UK pension scheme overseas without incurring a UK tax charge. This allows flexibility for those who have left the UK or intend to do so.

The concept, which was introduced in April 2006 (known as 'A' day) as part of pension simplification, was adopted at the insistence of the EU as part of its freedom of movement of income and labour.

In an attempt to make sure these schemes followed the UK pension rules as closely as possible for the first 5 years non-UK residence of the member, strict regulations were introduced to ensure the schemes "qualified" as QROPS and that certain information was provided to HMRC for the first 10 years following transfer.

Prior to the introduction of QROPS, pension schemes had to be transferred to the country of residence of the member. QROPS opened up the opportunity of third party jurisdictions and professional QROPS providers.

HMRC introduced a list of recognised QROPS and transfers could only be made to schemes on that list.

<http://www.hmrc.gov.uk/pensionschemes/qrops-list.htm>

## What are the advantages of a QROPS?

A QROPS, or **Qualifying Recognised Overseas Pension Scheme**, can maximise your pension potential with a variety of advantages, including:

### **Removes the scheme from UK tax on income**

If you leave the UK and your pension scheme remains there, any income you take may have UK income tax deducted from it at source.

It is possible to apply to tax authorities to have this paid gross, but for many jurisdictions will not allow this, especially where tax rates are lower than the UK. Therefore, the only way to ensure that UK tax is not applicable, is to move the scheme away from the UK.

### **Removes the scheme death charge of 55% that applies in the UK on death**

Many people are not aware that after commencing benefits upon death, the UK government will take 55% of your total pension fund and only 45% is available to your beneficiaries.

When the scheme is taken away from the UK with a QROPS the 55% tax charge does not apply (subject to residency requirements).

### **Consolidation of multiple pension schemes**

Many people have multiple pension schemes that are hard to keep track of. A QROPS allows all of these schemes to be placed into one plan and be administered more cost effectively.

## **Currency options**

A QROPS fund can be held in any currency required to prevent any exchange rate fluctuations.

## **Investment flexibility**

A QROPS may provide for investments that are not available within the UK.

## **Increased lump sums**

Under a QROPS, it is possible to obtain a 30% pension commencement lump sum (subject to residency requirements). Whereas in the UK this is restricted to 25%.

## **Closer proximity of your pension to where you live**

Your pension administration can be kept within the same time zone as your country of residence.

## **Why choose a Gibraltar QROPS?**

The Gibraltar authorities are concerned with protecting the reputation and integrity of Gibraltar as a financial centre, and are aware of the importance of adopting and applying international regulatory standards and best supervisory practices. Gibraltar has a good reputation internationally for cooperation and information sharing.

- Gibraltar is a British Overseas Territory and a self-governing and self-financing parliamentary democracy within the European Union (EU)
- The first language is English
- Newly created QROPS legislation which meets HMRC requirements
- DTAs are not required to obtain low tax rate
- Low rate of taxation, only 2.5%
- Newly created QROPS legislation means Gibraltar QROPS meet Her Majesty's Revenue and Customs (HMRC) requirements
- Gibraltar is a member of the EU and is a UK crown dependency, bringing with it a sense of stability and familiarity, an aspect which is reassuring to many UK pensioners
- Thanks to a highly regulated and sophisticated financial services sector, Gibraltar is expected to quickly become a major jurisdiction of choice
- Gibraltar offers flexibility in investment opportunities due to a diverse range of products, meaning increased control over where pension funds are invested
- QROPS in Gibraltar offer a large degree of flexibility on investment choices, along with many expert companies able to give professional advice and regulatory guidance on the best possible options on a case by case basis
- Unlike in the UK death benefits are paid gross, due to the absence of inheritance tax
- There is no taxation on lump sums in Gibraltar

## About Gibraltar

Gibraltar is a British Overseas Territory located on the southern end of the Iberian Peninsula at the entrance to the Mediterranean. It has an area of 2.6 square miles (6.7 km<sup>2</sup>) and a northern border with the Province of Cádiz in Andalusia, Spain. The Rock of Gibraltar is the only landmark of the region. At its foot is the densely populated city area, home to almost 30,000 Gibraltarians and other nationalities.



The financial infrastructure and legislation of Gibraltar provides QROPS members with safety and security of their assets. Gibraltar is politically and economically stable and has long been a leader in the provision of offshore financial services. Gibraltar is well regulated and has a favourable tax regime making it an ideal location to establish and administer QROPS.

# Pantheon QROPS

Pantheon QROPS is a Personal Pension Scheme approved by the Commissioner of Income Tax in Gibraltar. The plan is written under a master Trust Deed with Pantheon Pension Trustees Limited (PPTL) of 186 Main Street, Gibraltar acting as Trustees, licensed by the Gibraltar Financial Services Commission Number FSC1249B and Centurion Administration Limite (CAL) of 186 Main Street, Gibraltar, Company number 112310 acting as the Administrators.

Pantheon QROPS is an overseas pension scheme that HM Revenue & Customs (HMRC) recognises as being eligible to receive transfer of UK pension rights without attracting a tax charge. The Pantheon QROPS is registered with HMRC reference QROPS 504712.

The Scheme was established by a Deed of Trust dated 4th April 2013, as amended by the Deed of Appointment/Retirement dated 3rd February 2015 and Deed of Amendment dated 4th February 2015.

## Membership

The plan is open to Gibraltar and non-Gibraltar residents. Members may include individuals who have left the UK or those with definite plans to leave and wish to transfer their UK pension rights.

- Membership is subject to satisfactory completion of application forms and due diligence and client acceptance will always be at the discretion of the Trustees
- No residency is required in Gibraltar and no employment status is required
- Transfers from the UK mainly remain under UK pension rules for 5 full tax years of non-residence of the member
- The Trustees are required to report to HMRC certain payments for a period of ten years from the date of transfer of the scheme
- Admission to the scheme requires that members agree to be bound by the terms of the Trust Deed and the Rules attached to the Deed
- Signing the application form adheres the member to the Trust Deed and Rules
- A copy of the Trust Deed and Rules is available to members upon request

## Fees

The charges for providing the scheme are set out in the application form.

The member will be charged a fee on being accepted for admission to the scheme and a flat annual fee in advance, each year they remain a member.

The Trustee is entitled to amend its annual fee from time to time and charge for additional services on a time spent basis.

## Contributions to the Scheme

Contributions are accepted into the scheme in accordance with the current regulations. Transfers can be accepted from UK and EU schemes.

## Investment

The QROPS can accept a wide range of investments (subject to the rules), but cannot invest in residential property. The relevant section of the rules relating to investment is outlined below:

The Trustee shall (same being expressly prohibited), use directly or indirectly any of the investments or deposits held for the purpose of the Scheme;

- a. stocks and shares quoted on any recognised Stock Exchange including securities traded on the Unlisted Securities Market not prohibited by the Financial Services Commission;
- b. unit trusts and investment trusts;
- c. managed funds and unit-linked funds;
- d. deposit accounts;
- e. such other investments as are approved by the Commissioner of Income Tax.

All investments made in any unquoted securities must be subject to a valuation made on behalf of the Trustees or by some objective criteria independent of the Trustees and all investment dealings must be at arm's length and at commercial rates.

The Trustee shall not use directly or indirectly any of the investments or deposits held for the purpose of the Scheme;

1. to lend money to a Member or any person or company connected with a Member or proprietary directors of a company providing the pension, or a company which controls the company providing the pension, or to any other family or connected person who have a contingent interest under the Scheme;
2. the purchase of residential property except situate in Gibraltar and other than for the beneficial occupation by proprietary directors or their relatives. Residential property cannot be purchased, irrespective of situate, with that part of the Member's Fund attributable to benefits transferred from a UK registered pension scheme;
3. investments in the share capital of any company providing the pension or associated companies including preference shares;
4. to allow more than 50% of the value of the fund at any one time invested in aggregate to:-
  - 1) loan capital or debentures of the employers or connected persons;
  - 2) the value of residential property in Gibraltar owned by the pension fund. Residential property cannot be purchased, irrespective of situate, with that part of the Member's Fund attributable to benefits transferred from a UK registered pension scheme;
  - 3) the value of the property owned by the pension fund and occupied by employers for business purposes.

## Benefits on Retirement

Retirement can take place from age 55 to 75. A 30% pension commencement lump sum will be available, except for those members who have been UK resident within the last 5 years, in which case this will be restricted to 25%. Pension income will be calculated at 150% of the Government Actuary Department's (GAD) rates.

## Taxation

Pension income will be taxed at a flat rate of 2.5% in Gibraltar. The income should be declared in the member's country of residence which may result in tax liability. There is no tax on death in Gibraltar.

## Advice

Professional advice should be obtained before making the decision to transfer; neither PPTL nor CAL provide pension, tax or legal advice of any form. Transfers of pension assets will be subject to the rules of the transferring scheme and receiving scheme. The transfer is a benefit crystallisation event for the member's UK lifetime allowance. The Trustees will not allow any extraction of pension assets above those allowed by legislation.

Full details of the pension plan are contained in the Trust Deed and Rules which are available upon request. PPTL will operate a trust client account to accept transfers and make investments or pay income. This account will be held with NatWest Bank in Gibraltar and will not be interest bearing.

## Limitations of Liability

PPTL and CAL will provide the services with reasonable care and skill, however they cannot be held responsible for losses, penalties, surcharges, interest or other liabilities arising from incorrect or incomplete information and the client agrees to indemnify PPTL and CAL, its employees and agents harmless against all losses, legal fees and other expenses in relation to any breach by the client of these Terms and Conditions.

## Complaints

In the first instance, complaints should be addressed to a Director of PPTL. If this cannot be resolved it can be raised with the Managing Director. Otherwise the Department of Consumer Affairs of the Government of Gibraltar may be contacted at 10, Governor's Lane, Gibraltar. Tel: +350 200 50788.

## Data Protection

PPTL complies with Data Protection Ordinance (2004) regarding the collection, use and distribution of personally identifiable information as data controller.

## Contacts

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