



Alta Pension Plans

An introduction





A solution to your overseas pension needs

The Alta International Overseas Pension Plan (“Alta International”) from Nerine Trust Company Limited (“Nerine”) is a Guernsey based trust of which Nerine are trustee, which has been designed to offer a flexible and cost transparent pension solution for individuals with accrued pension benefits in the United Kingdom who are leaving or have already left the United Kingdom.

The Alta Select Overseas Pension Plan (“Alta Select”) is designed to provide you with the same flexible pension solution but has a pre selected and monitored range of investment opportunities to offer an easily managed and cost effective investment solution for pension assets.

Both Alta International and Alta Select (collectively “Alta”) have been recognised as qualifying recognised overseas pension schemes or QROPS by Her Majesty’s Revenue & Customs which allows qualified pension scheme members to make transfers of value from UK registered pension schemes and to benefit from the greater flexibility of investment strategy in a tax free environment. Alta members also enjoy a greater choice in the distribution of pension assets while alive and after death.

Alta uses state of the art administration and reporting systems designed and built by Nerine to provide you with timely and accurate fund reporting. You can also benefit from investment monitoring techniques developed over many years to maximise pension value.



What are the Key benefits?

Alta International and Alta Select have been designed by a team of experienced offshore financial services professionals to offer you a range of benefits.

Annuity flexibility and inheritance planning

As Alta International and Alta Select are Guernsey based international pension plans there is no requirement for you to purchase an annuity from an insurance company when reaching the age of 75. On your death any pension funds remaining can be transferred to heirs selected by you.

You are free to choose your retirement age.

Taxation freedom

Transferring a pension to Alta potentially removes it from UK Inheritance Tax and avoids the impact of future changes to the taxation of pensions in the UK.

Guernsey taxation is not charged on investment income or gains within Alta Pension Plans and no Guernsey tax is paid on pension fund distributions made to non residents of Guernsey. Local taxes may arise in the country of residence of a pensioner.

Investment freedom

Alta International offers you complete flexibility to decide on the investment strategy for your pension assets and allows investment into a wider range of asset classes than is available under a UK onshore scheme. You choose the investment manager best suited to achieve your retirement objectives.

Alta Select offers a range of investment strategies and, in conjunction with a specialist investment consulting company, Nerine works with its investment consultant to provide selection and monitoring of the investment funds within these strategies.

Security of assets

Assets are held in unique funds for your benefit by Nerine, the trustee of Alta International and Alta Select. Nerine, which was established in 1997, is licensed by the Guernsey Financial Services Commission and is one of the largest privately owned trust companies in Guernsey.

Cost freedom

Pension funds are often characterised by excessive or hidden charges. Alta has been designed with a fully transparent and cost effective charging structure.



Why choose Alta?

Nerine

The Nerine team has considerable industry experience, with some members having in excess of thirty years' continuity of service. This commitment and understanding have resulted in many long-term relationships with the professional advisors and clients with whom we deal. From this flows the natural trust on which enduring business associations are built. Our commitment to long-term service and continuity is based on our recognition of our clients' long-term needs.

Approvals

Alta International and Alta Select have been approved by The States of Guernsey Income Tax Office under the Income Tax (Guernsey) Law 1975, as amended and are registered with Her Majesty's Revenue & Customs.

Nerine is licensed under The Regulation of Fiduciaries, Administration Businesses and Company Directors etc (Bailiwick of Guernsey) Law, 2000 as amended.

Global reach

Through the network of Nerine offices, Alta has the ability to offer a worldwide service and whenever possible to meet you in your own jurisdiction.

Independence

Nerine is part of an independent and privately owned group with no ties to individual investment managers or banks.

Technical knowledge

Although members must take independent advice on the suitability of Alta for their particular needs, the Nerine staff has extensive knowledge of the offshore world and trusteeship which they are happy to share with you.



How do I transfer a pension to Alta?

Your decision to transfer a UK pension to Alta must be taken after obtaining appropriate advice from suitably qualified professionals.

Once you have made the decision to transfer pension assets to Alta, you will need to complete an Alta application form and supply us with various documents which are outlined in the application form. Once accepted, Nerine staff will work with you and your professional advisers to complete the transfer of assets to Alta. These assets will be placed in unique custodian or bank accounts (see investment strategy) which are “ring fenced” from the assets of other Alta members.

Your UK pensions can be transferred to Alta even if you have started to draw funds from the UK scheme.

The transfer of pension fund benefits to Alta by a UK tax resident is considered to be a “deemed benefit crystallisation event” by the UK Tax Authorities and can give rise to a UK Inheritance Tax charge. Nerine will be responsible for making any necessary returns to Her Majesty’s Revenue and Customs.

You can make further contributions to Alta at any time subject to restrictions in your country of residence. There is no cap on the value of transfers into Alta or subsequent contribution levels.



How is my pension invested? Alta International

Alta International offers you the freedom to pursue your chosen investment strategy across a wide range of asset classes and investment opportunities in conjunction with an investment manager which you select.

Subject to the approval of Nerine as trustee, you can choose to delegate investment decisions to your chosen investment manager and custodian on a fully discretionary basis. The trustee will require that you or your investment manager set out an investment strategy and investment asset allocation for the fund and designate an investment return benchmark, all of which will be approved and regularly monitored. However the trustee will not require you to seek trustee approval to each investment transaction as it occurs.

Any investment manager appointed under the Alta International strategy will require pre-approval by the trustee and Nerine will want to confirm that the investment strategy selected by your investment manager is suitable for your personal circumstances.

The recommended minimum fund size is £750,000 or currency equivalent.



How is my pension invested? Alta Select

Alta Select offers the same benefits as Alta International but rather than delegating investment management of the fund on a discretionary basis, Alta Select has pre-approved a range of investment opportunities across a broad range of asset classes, giving you the opportunity to choose between four investment strategies, which are:

Sterling Cautious

A strategy where the historical volatility of returns is less than 40% of that recorded by world equities. The dominant asset classes tend to be cash and bonds.

Sterling Balanced Asset

A strategy where the historical volatility of returns has been around 50% of that recorded by world equities. This strategy tends to encompass the widest range of asset classes.

Sterling Steady Growth

A strategy where the historical volatility of returns has been between 60-70% of that recorded by world equities. This strategy usually has a significant exposure to equities but also has a range of other asset classes. This strategy may sometimes be called “a balanced strategy”.

Sterling Equity Risk

This strategy has a risk profile similar to that of the equity markets. Equities tend to be the dominant asset class and such a strategy is traditionally known as “growth”.

Nerine will obtain investment advice from Asset Risk Consultants Limited (“ARC”). Asset Risk Consultants is an independent, privately owned consulting practice based in the Channel Islands, licensed by both the Guernsey Financial Services Commission and Jersey Financial Services Commission to provide investment consulting services on both funds and private portfolios. Formed in 1995, the company has been successful in attracting top-quality staff with a diverse range of backgrounds. ARC works for a global client base and has proven expertise in assessing and monitoring investment structures and performance across the full range of traditional and non-traditional asset classes.

ARC will complete and carry out a review and advise Nerine of optimal investment managers appropriate for each strategy. ARC will then monitor the performance of these investment managers against their own industry leading private client indices, making recommendations for changes to Nerine from time to time as necessary.

The recommended minimum fund size for the Alta Select is £250,000 or currency equivalent.



How can I benefit from my pension?

Currently you can choose for your pension to start at any time between the ages of 50 and 75 years old although from April 2010 the lower limit rises to 55. You must start to take a pension at the age of 75.

Benefits are paid by way of an annuity from Alta i.e. a regular quarterly payment usually paid to your personal bank account. Importantly it is not a requirement under the Alta rules for the fund to purchase an annuity contract from an insurance company.

Alta allows for the payment of a pension annuity to additional members who may apply to join the plan and benefit under the fund either after your death or at the same time as you.

You have the right to withdraw up to 25% of the pension fund as a “lump sum” amount at any time.



Administration and reporting

Alta benefits from Nerine's more than 10 years experience of offshore trust administration to offer a comprehensive administration and reporting service. Alta offers straightforward administration of your pension. Nerine's experienced and knowledgeable people are available to answer your questions and are delighted to speak to members on the telephone or to meet them either in Guernsey or overseas.

On the initial transfer of assets to Alta, Nerine will assist you in the preparation of any necessary returns to Her Majesty's Revenue and Customs. Later, if you take benefit but have not been a non resident of the UK for at least five complete tax years, Alta must report any benefit paid from the funds originally transferred to the UK authorities. Nerine's systems are in place to ensure that these distributions are accurately and promptly reported.

You will receive a pension statement every six months which will detail funds received and distributed, costs incurred, investment gains or losses and a current pension value. You will also receive annual accounts of your fund.



Charging structure

Establishment

Nerine charge a non refundable establishment fee of £500 on receipt of a member application form.

Nerine charge an initial pension transfer fee for dealing with the transfer of assets from UK onshore schemes, opening fund, bank and custodian accounts, supplying trust deeds, and making all necessary filings. This fee will be based on the time taken by the trustee calculated in accordance with their published charge out rates as amended from time to time, subject to a total maximum fee of £1,750.

Annual fees

Alta International

Nerine charges an annual trustee responsibility fee plus an all inclusive administration fee based on the time taken by the trustee in accordance with their published charge out rates, as amended from time to time, subject to a maximum fee annual fee of £5,750.

All out of pocket or incidental costs will be charged at cost. Full terms and conditions are set out in the application form.

Alta Select

Nerine charges an annual trustee responsibility fee plus an all inclusive administration fee based on the time taken by the trustee in accordance with their published charge out rates, as amended from time to time, subject to a maximum annual fee of £2,700.

All out of pocket or incidental costs will be charged at cost. Full terms and conditions are set out in the application form.