

ISLE OF MAN SELF-INVESTED PERSONAL PENSION SCHEMES (SIPPS)

- For Isle of Man residents, we are able to establish bespoke SIPPs, unique to each individual client, with you (the client) as a co-trustee of your own scheme.

- Primary suitability is for:
 - (a) pension savings, and
 - (b) transfer of UK/loM company/personal pensions .

- There are considerable advantages to transferring UK pensions to an loM scheme:
 - (a) no need to buy an annuity – ever
 - (b) pension fund is passed to estate or your nominated beneficiaries on death
 - (c) if scheme is wound up on death (and it does not have to), a 7½ % loM tax charge applies (this compares to 55% in UK)
 - (d) the tax-free lump sum in loM is 30% of the SIPP value, compared to 25% in UK (note: conditions apply)
 - (e) transferring your pension to loM ensures it is taxed at loM tax rates (ie max 20%);
 - (f) a wider range of investment powers, including residential and commercial property (note: conditions apply).

- Individual members, being co-trustees of a Scheme, retain considerable control over the investment strategy of SIPP monies. The extensive range of permissible assets includes equities, unit trusts, investment trusts, managed and unit-linked funds, cash deposits and property.

- It should be noted that there is a prohibition on investment transactions with connected parties (i.e. scheme members and their family)

- SIPPS may have more than one member - this enables other family members to be brought into your scheme (and avoids the tax charge on death, for example).

- It is generally possible for a SIPP to borrow, within limits.

- For schemes involving large contributions, the flat fee structure of SIPPS will undoubtedly prove very attractive in comparison with the percentage-based charges and high commission loadings associated with traditional insured personal pensions.
- Members qualify for tax relief on contributions they make within generous contribution limits. From April 2008, contribution limits increased to 100% of relevant earnings (subject to a cap of £300,000).
- Subject to these contribution limits, there are no limits or caps on the level of pension that may be taken.
- On retirement (which can be as early as age 50, or 55 for a QROPS), up to 30% of the accumulated fund can be taken as a tax free lump sum. The balance is then applied to provide a pension, by drawdown. Boal & Co are able to provide clients with an individually tailored, actuarially certified drawdown programme, which is reviewed with you with the passage of time
- Because no insurance charges are involved, early retirement can be achieved without any penalty charges. Flexibility is therefore considerably improved.
- If you wish to use your SIPP to transfer-in from a UK pension scheme, we must register your SIPP as a QROPS with HM Revenue & Customs (HMRC) to enable the transfer to happen. All QROPS are subject to compulsory reporting to HMRC in certain situations, and in some situations benefits from a QROPS could potentially be subject to UK taxation, even if the member is non-UK resident.
- SIPPS can contract-out, and so can accept transfers of protected rights and GMP benefits. However, this involves extra administration, and so extra fees. Boal & Co have alternative master-trust based schemes which can be used instead for transfer of protected rights and GMPs.
- Members can have concurrent IoM membership of both personal and occupational pension schemes.

Boal & Co is a firm of actuaries and consultants with expertise in relation to establishment and administration of Isle of Man pension schemes. We have been in the IoM SSAS and SIPP business since 1995 and are a market leader. Through our pensions subsidiary Boal & Co (Pensions) Ltd we provide specimen trust deed and rules, arrange approval of your SIPP by the Assessor of Income Taxes and the Insurance and Pensions Authority (IPA), provide ongoing advice, administrative requirements and act as actuary and pensioner trustee. Boal & Co (Pensions) Ltd is registered with the IPA as a professional schemes administrator.

As a guide to fee levels, initial establishment and approval of Isle of Man SIPPs, comprising specimen legal documentation and initial meeting, can be achieved at a typical cost of £950 + VAT. Please add £300 if your SIPP is contracted-out (to accept protected rights transfers etc) and a further £200 if your SIPP is to be QROPS-registered (to accept UK pension transfers).

Non-standard investments requiring specific approval (eg transfer of property in specie) present added complexity and, where applicable, incur additional fees on a time-cost basis.

Ongoing fees for trustee and administrative services are calculated on a time-cost basis, subject to a minimum charge (currently) of £640 pa plus VAT. Please add £100 pa if your SIPP is a QROPS, and a further £100 pa if your SIPP is contracted-out.

All fees quoted above are plus VAT at the applicable rate. Fee levels for group schemes are available upon request.

Eligibility for our bespoke IoM SIPPs is restricted to IoM-residents.

For further information about Isle of Man SIPPs or to arrange a meeting without obligation, please contact Mark Kiernan at mkiernan@boal.co.uk or call (01624) 606606.

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