

Balley Chashtal SIPP

Consulting actuaries **Boal & Co** have added a **new SIPP** to their successful range of **QROPS pension schemes solutions**. QROPS schemes enable British **expatriates and other UK non-residents** to transfer UK occupational and personal pensions (including protected rights and GMP benefits) to a more flexible and tax-efficient offshore pensions environment.

In April 2008, Boal & Co created two **Balley Chashtal** (tr: Castletown) personal pension schemes, which are trust-based arrangements, issued under a master trust. The two original schemes offer a wide range of investment flexibility - the Balley Chashtal No.1 Personal Pension Scheme is designed to invest in single premium bonds from leading offshore life companies, whilst the Balley Chashtal No.2 scheme links to high-interest offshore bank and building society accounts. The two schemes have already proved very popular both locally and internationally, with expatriate clients in Europe, Far East, Middle East and the Americas. Extending the range of investment options, Boal & Co have now added a third scheme to the range, with the launch today of the **Balley Chashtal SIPP**.

The Balley Chashtal SIPP is:

- registered with the Isle of Man Insurance and Pensions Authority
- tax-approved by the Isle of Man Assessor of Income Tax
- approved as a **QROPS** for UK-transfers by HM Revenue & Customs.

New DHSS regulations enable SIPPs to contract-out for the first time as from 1 October 2008, and the Balley Chashtal SIPP will be one of the first IoM SIPPs to receive an appropriate scheme certificate. (Balley Chashtal No.1 and No.2 schemes are already contracted-out.)

The Balley Chashtal SIPP is the flagship of the Balley Chashtal range, offering the widest possible investment choice. It enables members (and their advisers) to invest their pension fund in any or all of the following asset classes:

- shares and other stock-market portfolios
- fixed-interest securities and other bonds
- unit trusts, OEICs, offshore funds and other pooled funds
- bank and building society accounts
- insurance bonds
- property.

The Balley Chashtal SIPP is based on the new flexible IoM pension rules introduced by the Income Tax (Pensions) Act 2008. In particular, it permits:

- a **30% tax-free lump sum** benefit at retirement (compared with 25% in the UK)
- pension to be taken at retirement through pension **drawdown**, instead of annuity purchase
- retirement **from age 50**
- **transfer-in of pensions from UK pension schemes**, both personal and occupational, and including protected rights and GMP/contracted-out benefits
- pensions, when they come into payment, are **taxed at low Isle of Man rates** – not UK rates.

Boal & Co have been providing offshore pension schemes, including SIPPs and SSASs since 1995, and act as consultants and/or trustees to well over 100 schemes, with assets under administration totalling more than £200m. As long-standing specialists in this area, they have an experienced SIPP administration and consultancy team, all of whom are based in the Isle of Man where the schemes are both established and administered. (No administration is done in the UK.)

Being independent professionals, Boal & Co do not provide investment advice or have ties to any one investment / insurance provider, so the Balley Chashtal SIPP is very much designed as a wrap arrangement to give the member the opportunity to either freely self-manage their own investment portfolio, or delegate investment management to an investment adviser of their choice.

Managing director **Gary Boal** commenting on the launch, said:



"The initial launch of our first two Balley Chashtal schemes has been a great success, attracting business from expatriates and their advisers all around the world. The fact that pensions business on the Isle of Man is regulated, and bona fide, provides great comfort to individuals and to their professional advisers.

"With the forthcoming relaxation of contracting-out provisions, meaning that from 1 October SIPPs can obtain appropriate scheme certificates, we are now able to add a full SIPP to our Balley Chashtal range, which now comprises 3 schemes, all of which are tax-approved, QROPS-registered, and can accept protected rights and GMP transfers.

"People who know us and our business will not be surprised to learn that a 4th scheme is in development, and the Balley Chashtal range will continue to grow, backed up as ever by the sophisticated administration system and the excellent team we have developed from our SIPP experience over the last 10 years."

Director **Mark Kiernan** added:



"The full range of investment options provided by the Balley Chashtal SIPP will appeal not just to individuals with UK pensions, but also to IFAs, fund managers, life offices and stock-brokers. Boal & Co is a QROPS market leader, and is committed to remaining so.

"We have designed the Balley Chashtal schemes, including the SIPP, to keep them as simple as possible. They provide pension by drawdown, and so avoid the unpopular UK annuity route at retirement. This means that funds are able to be passed down to other family members on death, and kept within a family's wealth on death. Compared with the very high taxes on UK schemes on death, there are considerable advantages to moving pension monies offshore,

whilst keeping them in a bona fide regulated environment. The potential tax saving on death is huge. If an individual has left the UK, why should they suffer 82% effective UK tax on their pension fund on death?.

"The SIPP is approved for UK transfer purposes, and will be able to accept protected rights and other transfers of contracted-out benefits. Benefits can be drawn from as early as age 50.

"With 30% tax-free lump sums, the superior tax-efficiency is enhanced even further.

"The range of investment options for the Balley Chashtal SIPP is enormous, offering open architecture across a huge range of investment classes. Charges are simple, and very cost-effective."

Following changes to UK and Isle of Man pension legislation, individuals no longer need to become IoM-resident in order to transfer UK pensions to an Isle of Man pension scheme. The more flexible IoM pension rules, in relation to pension drawdown, tax-free lump sums, and benefits on death, are therefore available to any individual who has become UK non-resident.

Advisers wishing to learn more about the Balley Chashtal SIPP are invited to contact Boal & Co by email at qrops@boal.co.uk. Full support is on-line at www.boal.co.uk/qrops