

INFORMATION SHEET

THE CENTAURUS

RETIREMENT BENEFIT SCHEME

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The Centaurus Retirement Benefit Scheme Information Sheet

The Centaurus Retirement Benefit Scheme is licensed and regulated as a Personal Retirement Scheme by the Malta Financial Services Authority.

What are QROPS?

On moving abroad many British expatriates will have left their UK pension arrangements in place. These pensions remain subject to UK pensions law and UK taxation.

Under UK legislation introduced in 2004, effective from April 2006, expatriates or UK residents who have a demonstrable intention to move overseas may transfer the value of their UK pension rights to a non – UK pension scheme and thus potentially avoid most of the normal restrictions imposed on the pension fund if it remained in the UK. The transfer must be made to a Qualifying Recognised Overseas Pension Scheme (QROPS) that is recognised by HM Revenue & Customs (HMRC).

Do I qualify for this scheme?

Whilst cases should be examined on an individual basis there are a number of basic conditions that must be fulfilled in order to transfer to a QROPS.

To gain the maximum benefits from a QROPS arrangement, the member must become non-UK tax resident and remain so for at least five full complete and consecutive UK tax years.

The existing UK pension scheme can be in drawdown (i.e. benefit being paid from the fund directly) before transferring to a QROPS. However, there are restrictions and if the permitted Pension Commencement Lump Sum (PCLS) has been taken, no further PCLS is allowed.

UK rules impose a statutory Lifetime Allowance ('LTA') relating to the amount payable from UK registered pension schemes that will be treated as tax-privileged. Transferring benefits to a QROPS is known as a Benefit Crystallization Event ('BCE') and the value of pension rights transferred in excess of the lifetime LTA will be subject to UK tax.

For further information please speak directly with your Independent Financial Advisor.

The Centaurus Retirement Benefit Scheme

The Centaurus Retirement Benefit Scheme was established in Malta by Sovereign Pension Services Limited. Sovereign Pension Services Limited is registered by the Malta Financial Services Authority (MFSA) as a retirement scheme administrator in terms of the Retirement Pensions Act 2011 and is audited by KPMG.

The key features of the scheme are:

- Retirement income may be drawn commencing anytime between ages 55 to 75.
- Up to 25% of the value of a member's pension fund may be withdrawn as a PCLS at the time benefits are taken.
- There is no Maltese withholding tax on payment of PCLS.
- Under certain tax treaties tax, if any, will only be payable on retirement income in the country of the member's residence. Members should seek independent financial advice about the effect of any applicable tax treaty.
- The pension fund can be used by the member for his lifetime and any remaining balance can be passed on to his heirs upon the member's death without any deduction of tax at source in Malta.
- Investments can be invested and paid in any major currency.

Pension Commencement Lump Sum

Members are only entitled to receive a PCLS if they have not been receiving regular income payments from the Scheme and a PCLS can only be taken from un-crystallised funds. The maximum PCLS is up to 25% of the fund value at the time of determination.

Pension Income

Provided over the age of 55, members may choose how much they wish to draw from the pension fund each year without restriction.

Investments

The objective of the scheme is to accumulate a fund from which retirement annuities and other benefits can be paid. Each member is entitled to nominate an investment advisor who in turn can make investment recommendations to the trustee. Due consideration of such recommendations will be given by the trustee and its investment manager. The trustee shall retain ultimate discretion on investments taking into account the investment objective and purpose of the scheme along with any applicable investment restrictions as imposed by law or by the MFSA.

The trustee will determine investment performance benchmarks in consultation with the member and any appointed investment adviser. Unless otherwise agreed with the member, the trustee will be using the published inflation rate in Malta for the previous year as the benchmark for determining investment performance.

Whilst every effort has been made to ensure that the details contained herein are correct and up-to-date, this information sheet does not constitute legal or other professional advice. We do not accept any responsibility, legal or otherwise, for any errors or omissions.