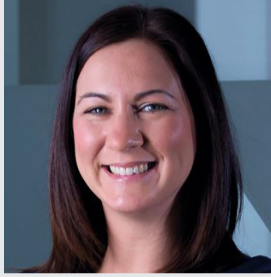


BUSINESS PANEL



OUR EXPERTS SHARE THE KNOWLEDGE...

CAREY OLSEN
RACHEL JONES



RAVENS CROFT
JAKE LE MARCHANT



SOVEREIGN
TRUST
(CHANNEL
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SEAN
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To be a future panellist, contact wgreen@guernseypress.com

'Pension age' rise applies only to States provision

I AM enrolled in my employer's pension scheme and I've read that from 2020, the 'pension age' in Guernsey is set to rise from age 65 to age 70. I am 48 years old and had hoped to be able to retire and draw from my pension at age 65. How will this change impact me?

Sean Gillease, business development manager, Sovereign Trust (Channel Islands) Ltd, replies:

YOU are correct that the 'pension age' within the States of Guernsey's old age pension is set to increase from 2020.

However, this should not impact your ability to withdraw income from your employer-sponsored pension scheme, as that is a private pension arrangement which will have different rules from that

of the old age pension.

The increase in pension age for the old age pension is being implemented on a staged basis and for anyone born after 1 March 1979 it will mean that they are not entitled to benefit from the old age pension until the age of 70.

For those born between 1 January 1955 and 1 March 1979, the pension age will be somewhere between age 65 and 70.

Therefore, based on your age, your entitlement to the States' old age pension, which is the pension funded by your social security contributions throughout your working life, will be due around age 68.

The States of Guernsey has some very helpful information on this, including a table detailing the pension ages specific to a certain date of birth, available on its website should anyone wish to see how this will impact them directly.



Changes are being phased in that will affect when people can benefit from their States old age pension.

(Picture by Shutterstock)

This can be found at <https://bit.ly/2L66JVN>.

In relation to your employer-sponsored pension scheme, you will have a minimum retirement age and under Guernsey rules this could be payable from age 50. However, the rules of the scheme itself may mean this is deferred until a

higher age.

You should speak with your employer and/or the pension scheme provider that manages your employer-sponsored pension scheme and ask what the minimum retirement age is for your scheme.

Should the minimum retirement age be lower than the pension age

under the old age pension, depending on the value of your scheme it may be that you can retire at your desired age of 65 and draw benefit solely from your employer-sponsored scheme until such time as you are eligible to draw benefit from the old age pension to supplement this income.

Planners might have say if using home as B&B

I AM thinking of starting a bed and breakfast business from my home. Do I need planning permission to do this?

Rachel Jones, senior associate at Carey Olsen, replies:

NOT always. You can operate a bed and breakfast from your home (meaning your permanent residence) without the need for planning permission, depending on what proportion of your home will be utilised by the bed and breakfast operation. Planning permission will not be required if the primary use of the dwelling remains that of your home.

There must not be a material change of use of the dwelling having regard to the number of rooms used for the bed and breakfast operation and the ancillary functions associated with it. For example, one bedroom in a three-bedroom dwelling could be used for bed and breakfast accommodation without resulting in a material change of use.

The use of two bedrooms and a separate sitting/dining room for bed and breakfast accommodation would amount to a material change of use and therefore planning permission would be needed.

Another way of sharing your home to generate additional income without the need for planning permission is to rent it out when you are away from the island as a short-term holiday let. This can be done subject to certain limitations. These are that the dwelling can only be let for a period of six to eight weeks over the course of a single calendar year and on the proviso that any period of letting does not exceed a continuous period of 28 days.

You should note that even though planning permission is not required in the above circumstances, there may be a separate requirement for permissions from Building Control and the Committee for Economic Development (with regard to boarding permits). There are also likely to be implications with regard to your home insurance policy and mortgage terms, which should be checked.

Using a nominee and how it works

I'M IN THE PROCESS of establishing a trading account with a broker and have been asked whether I want to utilise a nominee or not. Please can you explain?

Jake Le Marchant, trader and market maker at Ravenscroft, replies:

IT USED to be the norm that a shareholder in a company had a share certificate as proof of their shareholding. This certificate was registered to them and had a monetary value (this being the number of shares on the certificate multiplied by the prevailing price). All official documentation

was posted to the registered holder, as were cheques for any dividends paid and corporate action notifications.

As you would imagine, this created a lot of paperwork and administration and increased the chances of delayed trading, missed deadlines and lost certificates – all of which could prove to be very costly. The norm is now for shareholders to utilise the services of a nominee company. A stockbroking firm will use a wholly-owned and ring-fenced nominee company to ensure that its client assets are segregated from

its own assets. All client shareholdings will then be registered electronically to the nominee company, via one of several different settlement/depository systems, and held to the underlying beneficial owner's order. The stockbroker will then provide a comprehensive and secure nominee service for the shareholder. It will coordinate both prompt electronic settlement of all transactions and all administration including dividend reconciliations, corporate actions, provision of valuations and tax vouchers and so on.