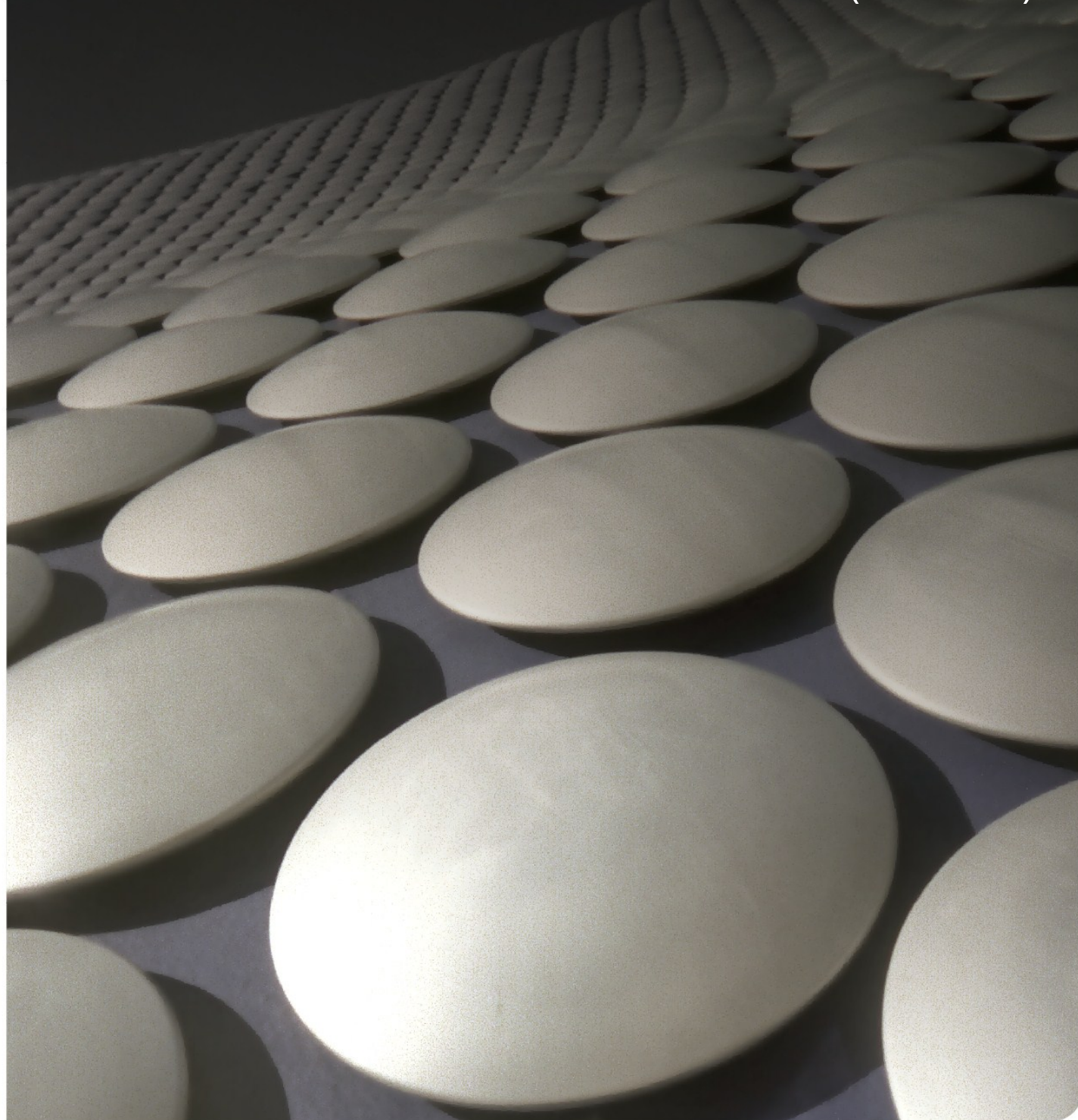


COMMERCIAL • PRIVATE CLIENT • PENSIONS & BENEFITS

Supporting structures

The Harrier Qualifying Recognised Overseas
Pension Scheme (QROPS)



W: www.careygroup.gg



ALDERNEY • CYPRUS • GENEVA • GUERNSEY • LUXEMBOURG • MONACO • UK • ZURICH

WHAT IS A QROPS?

A QROPS is a Qualifying Recognised Overseas Pension Scheme.

In April 2006 HM Revenue and Customs (HMRC) announced that they were amending pension legislation to accommodate transfers out of UK pension schemes into qualifying overseas schemes principally designed for individuals who have left, or plan to leave the UK permanently. Prior to this amendment such transfers were not possible.

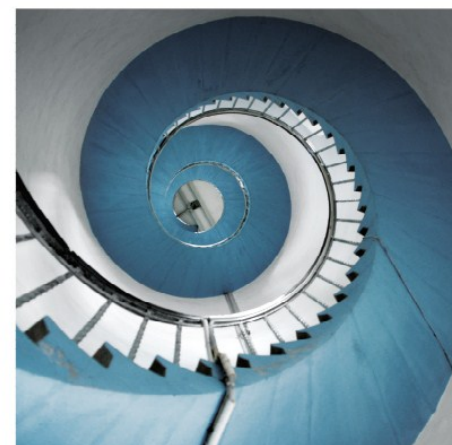
The new legislation has enabled pension schemes outside the UK to apply to HMRC for approval as a Qualifying Recognised Overseas Pension Scheme, referred to as a QROPS. Individuals with accrued UK pension scheme benefits can apply to have these transferred into a QROPS.

To obtain HMRC approval QROPS must fulfil the following criteria:

- It must be regulated in the jurisdiction where it is established
- It must be recognised for tax purposes in the jurisdiction where it is established
- It must be registered with HMRC

This change in legislation offers considerable commercial opportunity to Banking Institutions, Independent Financial Advisers, Accountants and Tax Specialists who may have a class of clientele whose pensions are 'locked' into UK pension schemes.

As well as our in house QROPS The Harrier Plan, Carey Group specialise in establishing and administering "white-labelled" QROPS which wealth managers and intermediaries can market and brand as their own product. We act as trustees and administrators of the scheme.



“HM Revenue and Customs (HMRC) announced that they were amending pension legislation to accommodate transfers out of UK pension schemes into qualifying overseas schemes.”

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The Harrier (QROPS)

THE HARRIER QROPS

The Harrier Plan is a QROPS written under a Guernsey Trust Law Deed to which individual members may subscribe by way of a deed of adhesion.

The Harrier Plan has received Guernsey Income Tax approval and is recognised by HMRC as a QROPS and as such is included on their website: <http://www.hmrc.gov.uk/pensionschemes/qrops.pdf>

The Harrier Plan is carefully designed to allow maximum flexibility within the appropriate pension rules and is principally available to individuals who have left the UK permanently: individuals who are in the process of leaving the UK permanently and Guernsey residents.

The Harrier Plan is not available to individuals resident in Jersey and there may be restrictions on participation by residents in certain other countries.

The Harrier Plan is an “open architecture” scheme which allows for most asset classes to be included via a wide range of provider.

Although we do not provide investment advice we will look to work with our clients nominated investment adviser or manager with the structure of an appropriate portfolio.



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KEY BENEFITS

UK pension schemes regulation is restrictive in relation to the operation and flexibility of UK schemes, however:

- For expatriates, former UK residents and persons leaving the UK on a permanent basis, the transfer of their UK pension to a QROPS can, once the member has been non-resident for more than 5 years, permanently remove many of the restrictions that exist under UK legislation and can be tax efficient for some
- Where the member is non-resident in Guernsey assets will not be subject to Guernsey taxation. Pension payments will be made gross however on receipt of pension income you may be subject to tax in your country of residence.
- You are entitled to take up to 30% as a lump sum free from Guernsey tax at any point between age 55 and 75.
- QROPS are exempt from European Savings Tax Directive reporting requirements.
- A Guernsey based QROPS does not require the individual to purchase an annuity at retirement although it remains an option. As an alternative you will be able to opt for a pension payable by draw-down from your pension fund.
- Income can (depending on the specific terms of an individual QROPS) be taken from age of 55 or can be deferred and need not be taken until age 75.
- Under current tax legislation, on the death of a member their residual pension fund may pass to their nominated beneficiaries **without** deduction of tax in Guernsey. If your pension were to remain in the UK it would continue to be liable to UK laws where up to 82% of the residual fund may be levied in tax charges on death.



“A Guernsey based QROPS does not require the individual to purchase an annuity at retirement. “

KEY BENEFITS

- The Harrier Plan offers a great deal of flexibility in terms of the range of investment allowed and we will work closely with clients and their advisers on this aspect of planning.
- We are able to work in the client's currency of choice.
- We are able to offer all individual members password protected access to a dedicated website where they can view details of their investments, investment fund performance data, valuations and statements. The website can also provide direct links to the investment managers' sites.

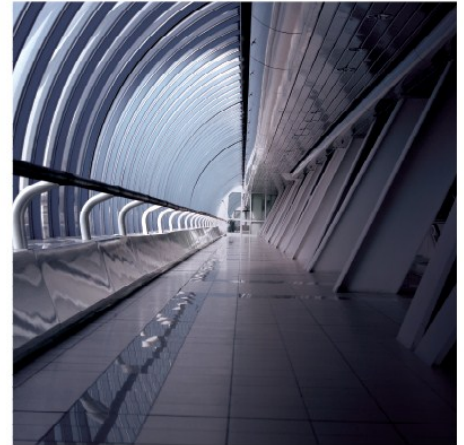


“The Harrier Plan offers a great deal of flexibility in terms of the range of investment allowed and we will work closely with clients and their advisers on this aspect of planning.”

REGULATIONS

- Members of The Harrier Plan are subject to the rules of the scheme and terms of the Trust Deed. Payment of benefits at retirement would be subject to those rules.
- Under current legislation, if a member receives a payment or deemed payment of benefits from the QROPS within 5 tax years of leaving the UK then the trustees are obliged to report this payment to the relevant UK authorities. This reporting requirement ceases to exist once 5 tax years have passed.
- QROPS transfers are not appropriate for everybody and we strongly recommend that any individual contemplating the transfer of a UK pension to such a scheme takes independent financial and tax advice. We will work with a member's advisers to assist with providing the best possible solution.
- Most types of UK pension can be transferred into this type of scheme; however this **does not** apply to UK state pensions.
- A transfer from a UK registered pension scheme to a QROPS is regarded as a "Benefit Crystallisation Event" by HMRC so the transfer must be tested against the individual's lifetime allowance. The testing of the individual's lifetime allowance against the value of the transfer can be complicated, therefore we strongly recommend the individual seek appropriate financial and tax advice. Transfers in excess of an individual's lifetime allowance may be subject to UK taxation.

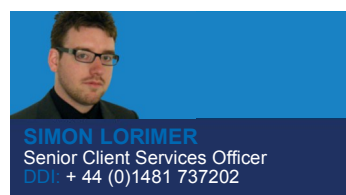
Carey Pensions and Benefits Limited holds a full fiduciary license issued by the Guernsey Financial Services Commission and is fully regulated by that body (www.gfsc.gg).



“Most types of UK pension can be transferred into this type of scheme.”

The Harrier (QROPS)

MEET THE PENSION & EMPLOYEE BENEFITS TEAM



For further information on any of our schemes please contact one of our team who will be pleased to answer any of your questions. Alternatively please contact our main number below:

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T: +44 (0)1481 700300 **F:** +44 (0)1481 711220 **E:** info@careygroup.gg **W:** www.careygroup.gg

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The information contained herein is a general summary and does not constitute professional tax, investment or legal advice and should not be relied upon. No responsibility is accepted for any errors contained in this information sheet which should not be circulated where such circulation would be an infringement of local laws or regulation.

These schemes are established on the basis of current UK tax legislation regarding transfers of UK pensions overseas. All applicants should be aware that tax legislation may change in the future and that this may adversely affect the advantages offered by the scheme.

The Carey Group does not provide tax, legal or investment advice which should be sought in the country of domicile/residence of every client.

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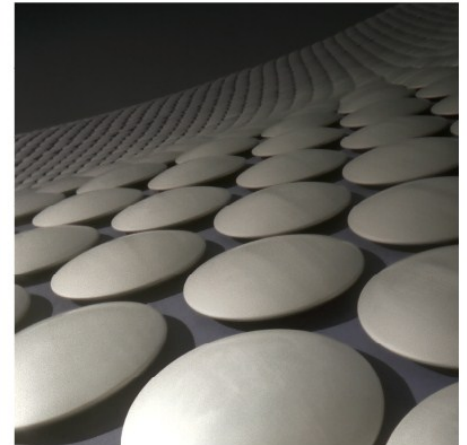
PENSION & EMPLOYEE BENEFIT SERVICES

Carey Group offers a wide spectrum of pension and employee benefits services operating in both the UK and offshore markets.

We have a history in acting as trustees and administrators for services including employee benefit trusts, qualifying recognised overseas pension schemes (QROPS), international pension plans and bespoke retirement plans including employer funded Pension schemes.

We specialise in providing International Pensions for employers key international staff and white label QROPS for wealth managers and intermediaries. Our innovative software platform allows us to administer pension plans in an efficient and cost effective way, allowing web based access between members, administrators, trustees and fund managers.

We also provide employer companies with access to a web based HR system allowing maintenance of pension records, calculation of contributions, and interaction with plan administrators.



Carey Group Pension & Employee Benefit Services:

- **QROPS**
- **International Pensions**
- **Defined contribution retirement plan**
- **Employee Benefit Trusts & Share Option Plans**
- **Employer Funded Retirement Benefit Schemes (EFRBS)**
- **UK Pensions: SIPP's, SASS, bespoke pension design, commercial property pension service, third party administration services, independent trustee services**