

THE *W*ESTERBY
INTERNATIONAL
RETIREMENT PLAN



WESTERBY
TRUSTEE SERVICE LTD

Take your pension funds on a permanent holiday
with an International Retirement Plan from
Westerby Trustee Services Ltd

Particularly suitable for those living or planning to live overseas



Welcome to The Westerby International Retirement Plan.

Since 2006, people with UK pensions who are, or will become, non resident for tax purposes in the UK have been able to move their pension benefits out of the UK into a Qualifying Recognised Overseas Pension Scheme (QROPS). This can prove to be highly advantageous.

This brochure describes the advantages and benefits of transferring your pension funds into The Westerby International Retirement Plan, a QROPS registered with Her Majesty's Revenue & Customs (HMRC).

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Introduction

A QROPS pension scheme is an excellent vehicle for people who are living or planning to live overseas, but who retain UK pension benefits. A QROPS offers excellent flexibility, significant taxation and investment advantages and the opportunity to pass on your pension funds tax efficiently to your nominated beneficiaries in the event of your death.

In the UK the government has set a limit on the amount of tax relieved pension savings any individual can accumulate. This limit is known as the Lifetime Allowance (LTA) and, as at 6th April 2012, is set at £1.5 million.

Unless you have applied for protection, funds in excess of the LTA are subject to a recovery charge of 55%. Furthermore, funds may be tested against the LTA more than once, giving rise to the possibility that, in retirement, you could be penalised for achieving good investment performance or drawing less than the maximum permitted pension.

Whilst funds transferred to a QROPS are tested against the LTA at the point of transfer they have the advantage that after a five year qualifying period they will not be subject to any further testing.

Comparing a UK pension with The Westerby International Retirement Plan

The tables below will give you an indication of some of the most important differences between a UK pension scheme and a pension transferred to The Westerby International Retirement Plan.

UK PENSION SCHEME	Tax on Death before age 75	Tax on Death on or after age 75
Fund from which no benefits have been taken (Uncrystallised)	Tax Free up to the LTA	Scheme Recovery Charge of 55%
Funds in capped or flexible drawdown (Crystallised)	Scheme Recovery Charge of 55%	Scheme Recovery Charge of 55%
Schemes which exceed the LTA but have applied for protection	Nil	Scheme Recovery Charge of 55%
Schemes which exceed the LTA but have not applied for protection	Tax charge of 55% on the excess above the LTA	Tax charge of 55% on the total value of the fund

WESTERBY INTERNATIONAL RETIREMENT PLAN	Tax on Death before age 75	Tax on Death on or after age 75
Fund from which no benefits have been taken (Uncrystallised)	Tax Free up to the LTA	Nil after 5 years
Funds in capped or flexible drawdown (Crystallised)	Nil	Nil after 5 years
Schemes which exceed the LTA but have applied for protection	Nil	Nil after 5 years
Schemes which exceed the LTA but have not applied for protection	55% on the excess above the LTA on transfer to QROPS	Nil after 5 years

It is important to note that whilst there is a scheme recovery charge of 55% on the excess above the Lifetime Allowance on transfer to a QROPS, all the profits made thereafter on the investment of the fund will not be subject to a scheme recovery charge following five complete tax years after qualifying for UK non residency.

Why Choose A Westerby International Retirement Plan

STM Malta Trust & Company Management Ltd (STM Malta), has been appointed as our independent administrator and trustee. By having an association between Westerby Trustee Services and STM Group, we can also offer, where appropriate, alternative jurisdictions. Our offering therefore provides a unique and compelling choice for anyone thinking of moving abroad. With a range of jurisdictions (for example Gibraltar and Guernsey), you can be confident that the scheme can provide the best solution for your pension needs.

To qualify as a QROPS a scheme must meet certain criteria set out by HMRC and operate within the rules and reporting requirements as if it were a UK pension scheme for all members who have been resident for tax purposes in the UK during the previous five tax years.

The Westerby International Retirement Plan is accepted by HMRC as meeting their criteria. For your own peace of mind you can confirm this by referring to their website listing of approved schemes at www.hmrc.gov.uk/pensionschemes/qrops.pdf. The plan is listed under the jurisdiction of Malta.

What makes The Westerby International Retirement Plan different

At Westerby we think it is important to choose a provider that suits your individual circumstances. We will work with you and your financial adviser to tailor a solution to meet your personal requirements. The scheme offers the following advantages:-

- Transparent Charges
- No transfer or exit charges if your circumstances change
- The ability to change between jurisdictions
- A wide range of tax-efficient pension solutions
- Multi-jurisdictional options to suit your country of residence
- Freedom of investment choice, putting you in control

Unlike most QROPS providers, we will not charge you if you subsequently need to move the scheme to another jurisdiction (for tax, legislative or personal reasons).

Benefits and advantages of The Westerby International Retirement Plan

The Scheme provides :

- Greater control over where your pension is invested
- Tax efficiency. You may be able to substantially reduce the tax that you would have to pay when accessing your pension, or on death
- Inheritance benefits. You will be able to pass on your pension fund to your beneficiaries upon death
- Removal of the 55% scheme recovery charge on death providing that you have been non resident for tax purposes, for at least 5 consecutive tax years
- Simplicity. You can consolidate all of your various pension schemes into one arrangement
- A further endorsement of your non-UK residency/domicile status with UK tax authorities
- A scheme that becomes subject to some of the laws of your relevant overseas jurisdiction after you have been non UK resident for at least 5 consecutive tax years. This is of major importance and advantage to many of our scheme members
- As with UK Registered Schemes, there is no requirement to purchase an annuity
- The removal of reporting requirements to HMRC by the Administrators once the member has left the United Kingdom for more than 5 consecutive tax years

Case Study

David is 65 years old and intends to move to the United Arab Emirates (UAE) to enjoy his retirement. His main objectives for his pension are to take withdrawals in the most tax efficient manner, and to leave any surplus funds on death to his children. David currently has a Small Self-Administered Scheme in the UK from which he is receiving an income. This income is currently being taxed in the UK at the highest rate of 50%. This will continue following his move as UAE does not have a double tax treaty with the UK, so tax will continue to be deducted at source. Upon death there would also be a scheme recovery charge of 55%.

A transfer to a Westerby International Retirement Plan (with a Maltese jurisdiction) enables him to receive the income gross and, importantly, there is no tax on overseas pension income in the UAE. After five complete tax years of being non-UK resident, and in the likely event that David remains UK-domiciled, upon death the fund can be distributed tax-free to his beneficiaries.



How The Scheme Can Help Provide For Future Generations

On your retirement, there is no need to purchase an annuity. As a result, the fund will not disappear upon your death and your fund can therefore be passed on to your loved ones.

Inheritance Tax (IHT)

When you die your scheme will not be liable to IHT and, provided you have left the UK for a qualifying period of more than 5 years, your pension fund will also not be subject to a 55% Scheme Recovery Charge. In addition, when transferring your pension scheme to a Westerby International Retirement Plan we encourage you to nominate your potential beneficiaries by providing the Trustees with a letter of your wishes from inception. This hastens the process of passing on your inheritance, and ensures that your requests are properly executed.

N.B. It is important to seek advice about the local taxation rules that will apply to your new country of tax residence.

Case Study

Colin is 54 years old and has lived in France for seven years. He has a substantial UK pension fund as well as other assets, which he wishes to pass to his children upon his death. Colin plans to start withdrawals from his pension at 55. As the French tax system is both highly complex and subject to regular change, it is prudent therefore for Colin to transfer his pension funds to a QROPS and choose a jurisdiction in which to transfer his funds, which is both in the European Union (EU) and which has a double tax treaty with France.

The initial pension lump sum should be subject to income tax in France whether taken from his UK pension or if it has been transferred to a QROPS. Upon Colin's death his UK pension (once the lump sum has been taken) will be subject to a 55% recovery charge, and in addition any income taken before or after his death will also be subject to UK income tax. A UK pension will however not be subject to French Wealth Taxes, and neither will investments within the pension scheme be subject to tax.

If Colin transfers his pension funds to a Westerby International Retirement Plan (with a Maltese Jurisdiction), benefits can be paid gross to his children or his surviving spouse when he dies. These benefits would then be subject to French Inheritance Tax at a rate substantially lower than the 55% UK pension recovery charge. Withdrawals, if treated as an annuity payment, may also only be partially taxable in France, depending on the jurisdiction chosen by Colin.

Selecting The Correct Jurisdiction

You need to make sure your money is in a safe, well-regulated place, with a reputable provider. It is important that you give serious consideration to the taxation system, and any lump sum restrictions that may exist, both where you are tax resident and also in the jurisdiction within which you decide to place your pension fund.

When selecting your jurisdiction and for ease of management, it is also important to consider the time zone within which it operates and your preferred method of communicating with your Trustee and Administrators.

Westerby has arranged with its appointed Trustee and Administrator STM Group, that your funds can be transferred from the jurisdiction of Malta elsewhere, including Guernsey and Gibraltar. With offices in Spain, Malta, Gibraltar, Switzerland and Jersey it is easy to talk to an English-speaking contact, in a similar time zone, whenever you would like to discuss your scheme.

We will be able to offer you and your financial adviser help and assistance in choosing the right jurisdiction to suit your personal situation.

The Westerby International Retirement Plan – Regulatory Details

The Westerby International Retirement Plan is a Qualifying Overseas Pension Scheme that HMRC recognises as being eligible to receive authorised payments in the form of transfers from registered UK pension schemes. In order to ensure that the scheme maintains its offshore status, Westerby have appointed STM Malta Trust & Company Management Ltd to act as the Scheme Trustees and Administrators.

The plan is a defined contribution scheme written under a Master Trust Instrument with STM Malta acting as the Retirement Scheme Administrator. The Plan is registered with the Malta Financial Services Authority (MFSA) Reference No : RS/007. STM Malta is registered as the Retirement Scheme Trustees and Administrators with MFSA Reference No C51028.

The Westerby International Retirement Plan is available to both Malta and non-Malta residents.

The Plan is provided in accordance with the Special Funds (Regulation) Act, Chapter 450 of the laws of Malta. Retirement benefit payments made to members will be subject to income tax in their country of residence.



The Westerby Group

The Westerby Group, of which Westerby Trustee Services Ltd is a wholly owned subsidiary, was established in 1986 and continues to be dedicated to providing a complete range of both corporate and personal financial advice. For more than a quarter of a century our aim has been to deliver to our clients a full and comprehensive financial programme, with a strong emphasis on pension arrangements, tax mitigation and life assurance.

Operating from a number of offices in Leicestershire, our professional and fully qualified staff offer specialist, individual advice, and are committed to providing you with ongoing service and support.

You can be assured that our staff will always strive to deliver the highest level of help and assistance, promptly, efficiently and courteously.

Westerby Trustee Services Ltd

Westerby Trustee Services Ltd is one of only a handful of independent Trustees operating within the UK able to offer, in conjunction with STM, a QROPS to complement its suite of pension schemes, which include both group and individual Self Invested Personal Pensions (SIPP) and Small Self Administered Scheme (SSAS) products.

Westerby Trustee Services Ltd is Authorised and Regulated by the Financial Services Authority (Reg. No. 463533), and is also a member of the Association of Member-Directed Pension Schemes.

The Trustee And Administrator Of The Scheme

STM Group Plc is a leading financial services group operating in the international corporate and trustee service provider sector. STM Malta is one of the largest trust, pension and company (including insurance company) managers in Malta and is part of STM Group Plc.

With offices in many locations, including Gibraltar, Jersey, Switzerland, Spain and Malta, STMs international presence provides a multitude of jurisdictions.

As Trustee and Administrator, STM (Malta) must act in the best interests of the scheme members and cannot use the assets of the funds for any other purpose. They are also legally bound to disclose any potential conflict of interest that could arise.

The Island of Malta

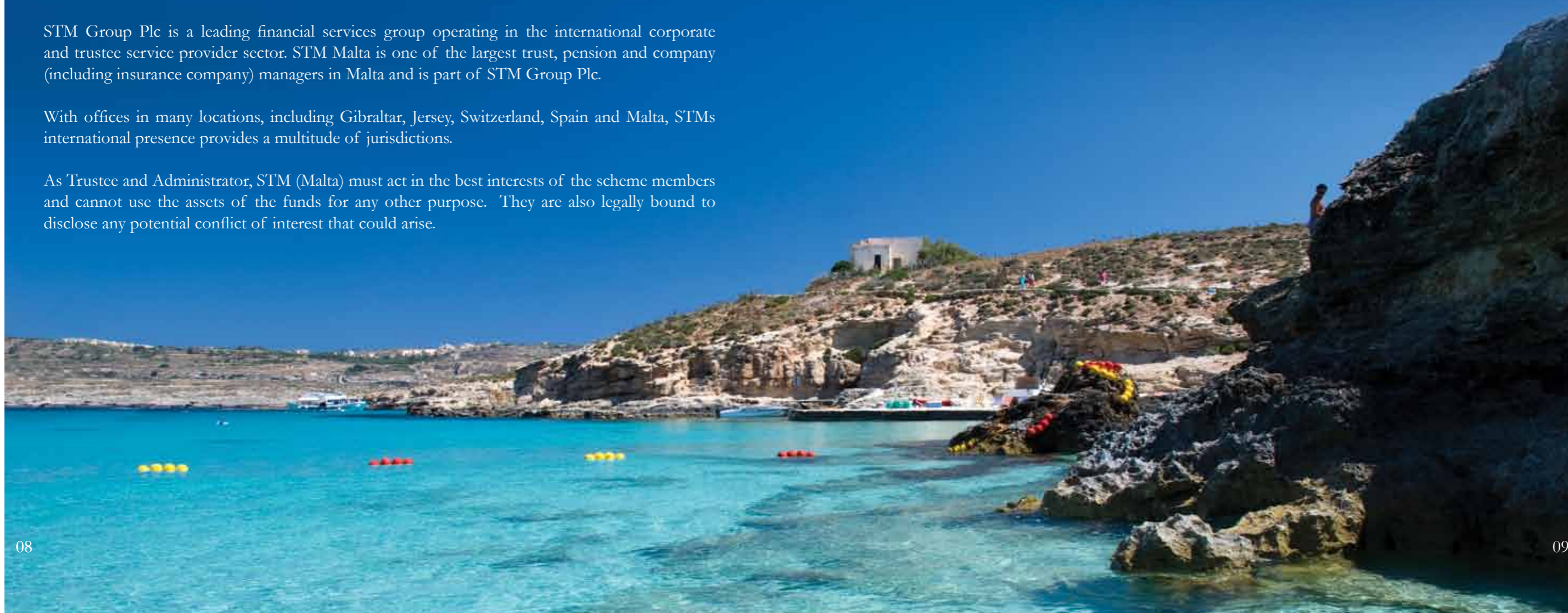
Malta is an island nation in the Mediterranean Sea of southern Europe and is an archipelago of seven islands. Malta became a member of the European Union in May 2004.

The Malta Financial Services Authority (MFSA) was established in July 2002 and is an autonomous public institution reporting to the Maltese Parliament annually. It has supervisory functions for the Malta financial sector, including banking, investment and insurance as well as managing the Registry of Companies.

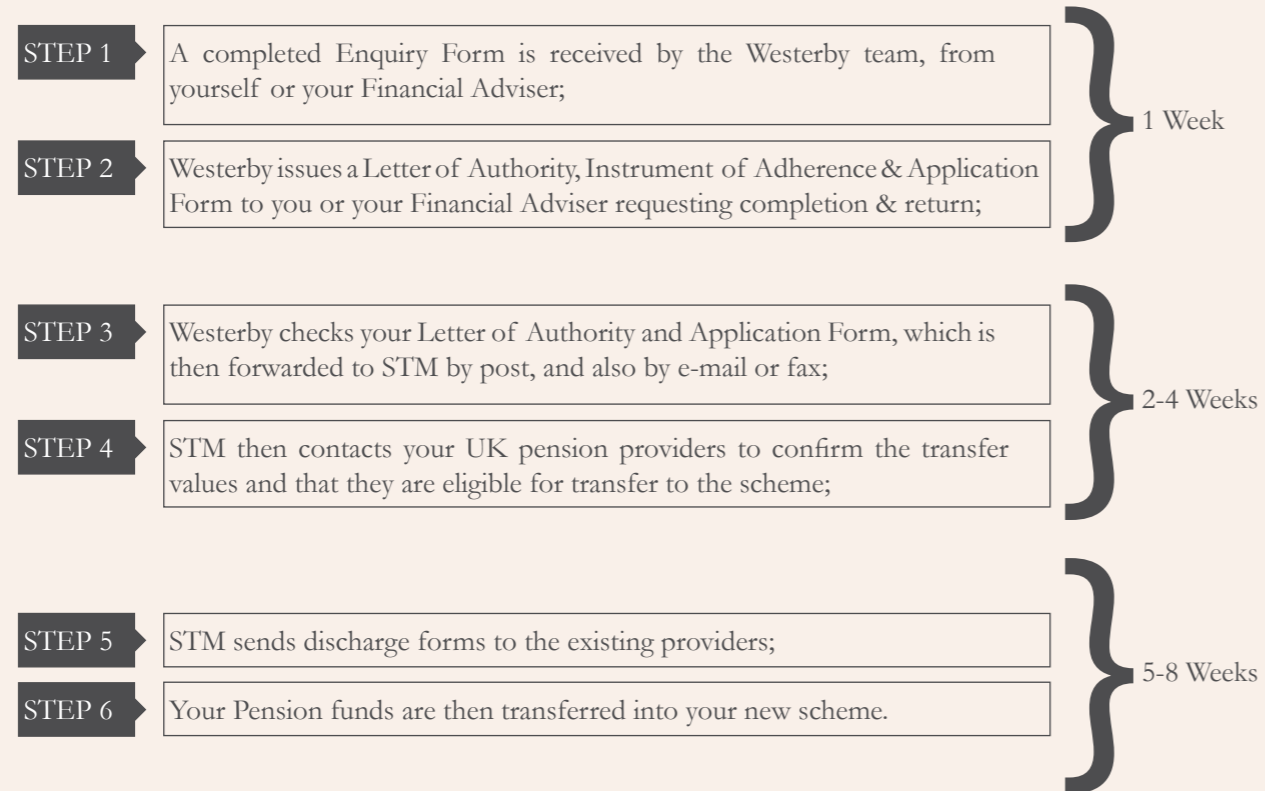
The financial services sector in Malta is one of the fastest growing sectors of the Maltese economy and one of the most important employers of trained professional staff.

Malta has an excellent infrastructure including good telecommunications, well equipped ports, a fully developed manufacturing industry and a sophisticated European business environment.

The main languages spoken are English and Maltese. Many Maltese are also fluent in Italian, Arabic, German and French with other major world languages sometimes also being spoken.



The Application Process

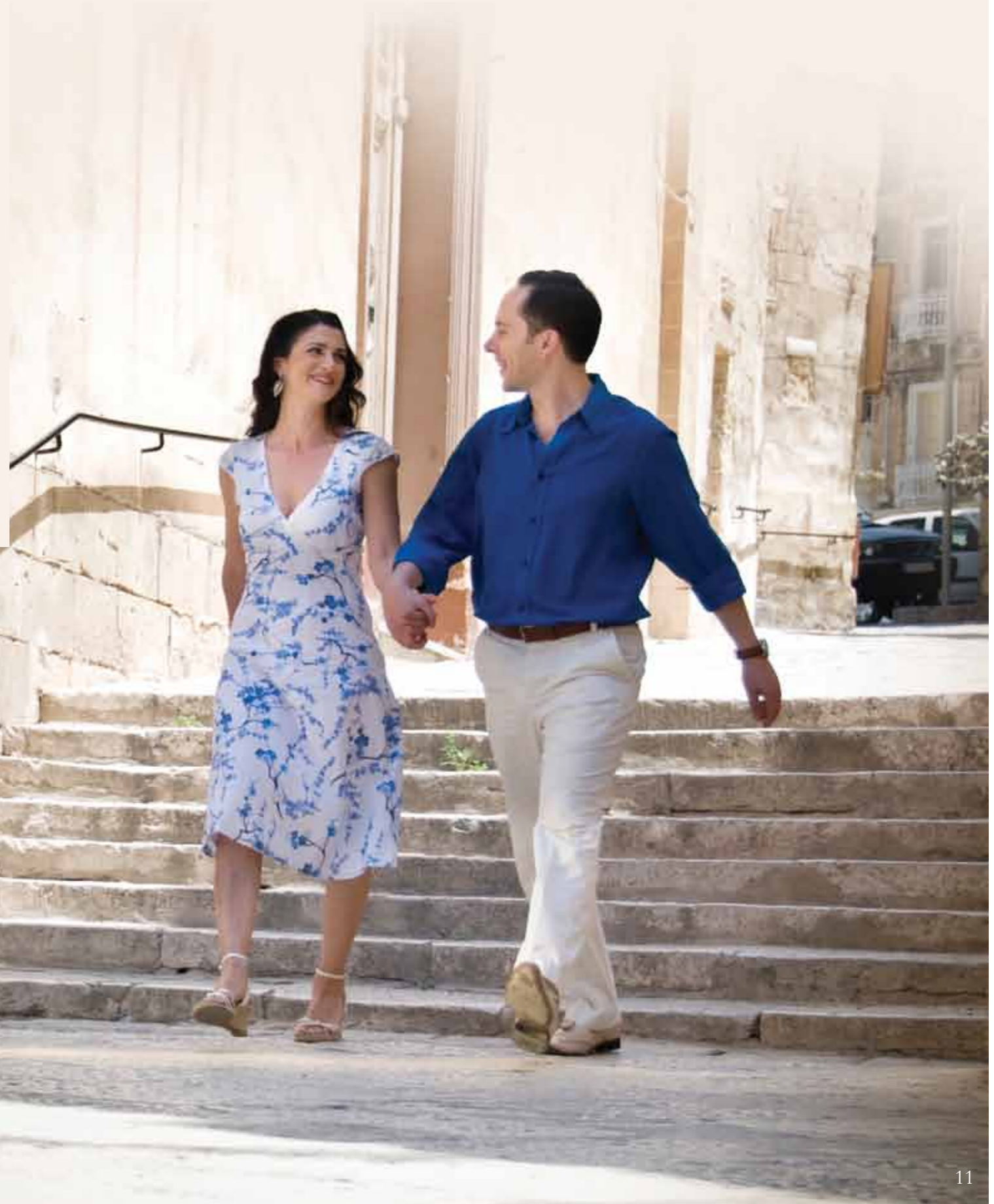


The total process should take no longer than eight weeks to complete, depending on the transferring of trustees and the timely receipt of information from existing scheme providers.

The next step....

Please contact us to request an Enquiry Form or alternatively download the form from our website

www.westerby.co.uk



Frequently Asked Questions

The following are some of the most commonly asked questions about The Westerby International Retirement Plan.

When were QROPS introduced? QROPS came into being on pensions 'A' day, 6 April 2006, when the British government radically overhauled its pensions system. Since then, people with UK pensions who are, or will become, non-resident in the UK for tax purposes can move their pension benefits out of the UK to a QROPS.

Can UK residents apply for QROPS? Yes, however you are unlikely to benefit from the scheme unless you become a non UK resident.

Does my QROPS need to be held in my new country of residence? No, you can choose an alternative jurisdiction that is compatible with where you live to ensure proper regulation, tax efficiency and easy maintenance.

Can I transfer my pension to an overseas scheme that is not a QROPS? No, this is not possible as the providers of the scheme in the UK will only transfer to those on the HMRC list.

Can I transfer assets other than cash? We can accept almost any asset into our QROPS scheme, with the exception of residential property. There is no need to liquidate assets before transfer.

If I have bought an insurance company annuity, can I still transfer to a QROPS? No, you must transfer to a QROPS before you buy an annuity. If however, you are taking a pension income from your UK Pension Scheme, you can still transfer your funds.

Once I transfer my pension into a QROPS, will I have to buy an annuity? No. You do not need to purchase an annuity, you are free to invest in other assets and have the advantage of being able to pass these assets to your dependants upon death. However, in certain circumstances buying an annuity may be advantageous.

Can I transfer my state pension into a QROPS? No, QROPS is for private pension schemes only.

What will happen to my pension fund upon my death? This will depend on whether you have chosen to purchase an annuity. If no annuity is purchased, any funds remaining upon your death will be left to those nominated by you as your beneficiaries.

Can my QROPS fund purchase residential property? No, UK transferred pension schemes can not be used to purchase residential property.

Can the fund purchase commercial property? Yes, provided the purchase is conducted on a strictly commercial basis.

From what age can I take benefits? From age 55.

Can I take a loan from the QROPS fund? Yes, in certain jurisdictions this is possible.

Will I be able to take my Tax Free Lump Sum Benefit? Yes. Normally 25% would be available to you, but in certain circumstances, this could be higher in some jurisdictions, after you have achieved 5 years non residency for UK tax.

How much income can I take? Within the first five years, it will be based on Government Actuary Department (GAD) rates. Subsequently there may be an opportunity to increase your income, depending on the jurisdiction that you have chosen.

What happens if the jurisdiction's pension rules differ from those in the UK? The jurisdictions rules are combined with UK QROPS rules. Generally, whichever rules are the most strict apply.

Can I put several UK pension schemes into one QROPS? Yes, you can combine all of your pension funds into one QROPS providing ease of management and control. We strongly recommend that you seek financial advice before proceeding, particularly in respect to Final Salary Schemes.

How do I know if a scheme is a QROPS? You can see a list of QROPS on the HMRC website www.hmrc.gov.uk/pensionschemes/qrops.pdf. The Westerby International Retirement Plan conforms to HMRC regulations and is listed on their website.

Does it take longer for my beneficiaries to inherit a QROPS than a UK-based scheme? No, because you can nominate beneficiaries to your QROPS, your scheme can be passed on quickly and easily to your family.

Are there any exit fees? We will transfer your QROPS to the relevant jurisdiction free of charge. In addition there are no exit fees should you wish to move your QROPS to another provider.

Is my pension fund affected by currency exchange rates? No, because you can invest and receive payments in your local currency or any other currency of your choice.

If you have any further questions not covered by this guide, please feel free to contact us or your Independent Financial Adviser by e-mail or phone. Alternatively, you may wish to visit www.westerby.co.uk and complete the 'Contact us' form so that a member of our team can call you back at your convenience.



Westerby Trustee Services Ltd is part of the Westerby Group of Companies which provide a full range of financial services, including:

- Self Invested Pension Schemes
- Group Self Invested Pension Schemes
- Small Self Administered Pension Schemes
- Qualifying Recognised Overseas Pension Scheme

Westerby Trustee Services Ltd

1 & 2 St Matthews Business Centre, Gower Street, Leicester, LE1 3LJ

Telephone: + 44 116 326 0183 Fax: + 44 116 253 9730

Email: info@trustees.westerby.co.uk

Website: www.westerby.co.uk

Authorised and Regulated by the Financial Services Authority: 463533

Trustee and Retirement Scheme Administrator:

STM Malta Trust & Company Management Ltd

62 Regent House, Bisazza Street, Sliema, Malta, SLM 1641

Telephone: +356 213 33210 Fax: +356 213 33220

Email: pensions@stmmalta.com

Website: www.stmmalta.com





WESTERBY
TRUSTEE SERVICE LTD

Westerby Trustee Services Ltd
1 & 2 St Matthews Business Centre
Gower Street
Leicester, LE1 3LJ

Telephone: + 44 116 326 0183

Fax: + 44 116 253 9730

www.westerby.co.uk



www.stmmalta.com

The information provided in this brochure is based on current UK legislation and tax rules and has been designed to give a general understanding of the matters that need to be considered when transferring a United Kingdom pension scheme to another jurisdiction. We would strongly recommend that if you are considering taking advantage of the Westerby International Retirement Plan, that you should seek information and advice from your professional advisers before proceeding