



## QROPS FACT SHEET

The InterRetire Qualifying Recognised Overseas Pension Scheme “QROPS” provides individuals leaving or intending to leave the UK the ability to transfer their UK pension benefits offshore.

The InterRetire QROPS is administered in Guernsey, Channel Islands by Carey Pensions and Benefits Limited a wholly owned subsidiary of the Carey Group ([www.careygroup.gg](http://www.careygroup.gg)).

Headquartered in Guernsey where the Group is licensed and regulated by the Guernsey Financial Services Commission it has operations in Alderney, Monaco, Zurich, Luxembourg, Geneva and Cyprus.

The plan offers individuals a flexible investment solution and may form an effective part of an individual’s tax planning.

### Introduction

In April, 2006, the UK HM Revenue and Customs “HMRC” ([www.hmrc.gov.uk](http://www.hmrc.gov.uk)) announced changes to the legislation which had previously made it difficult for people with UK pensions who had or intended to leave the UK, to move their UK pensions out of the UK.

The new legislation has enabled pension schemes outside the UK to apply to HMRC for approval as a **qualifying recognised overseas pension scheme** or “QROPS”.

Once approval has been received, the pension scheme was then able to accept transfers from the UK pension schemes and individuals with accrued UK pensions could apply to have these transferred to a **Qualifying Recognised Overseas Pension Scheme** “QROPS”.

### What is a QROPS?

A QROPS is an approved pension scheme established outside the UK which may accept pensions transferred from the UK.

In order to receive and maintain approval from the UK, a scheme must fulfil the following criteria;

- 1 It must be regulated in the country where it is established
- 2 It must be recognised for tax purposes in the country where it is established
- 3 It must be fully approved by HMRC



### What is the InterRetire QROPS?

The InterRetire QROPS is a pension scheme written under a Guernsey law Trust Deed.

The InterRetire QROPS Plan has received Guernsey Income Tax approval ([www.gfsc.gg/](http://www.gfsc.gg/)) and recognised by HMRC as a QROPS.

Open to both Guernsey residents and those residing elsewhere outside the UK and Jersey, the InterRetire QROPS Plan is carefully designed to allow maximum flexibility with the appropriate pension rules.

### What are the advantages of the InterRetire QROPS for you?

- 1 UK pension schemes are heavily regulated and the authorities impose many restrictions on how those schemes can operate
- 2 For expatriates, former UK residents and people leaving the UK on a permanent basis, the transfer of their UK pension to a QROP can, once a member has been a non resident in the UK for more than 5 years permanently remove many of the restrictions that exist under UK legislation and can be tax efficient for some individuals.
- 3 Where the member is not a Guernsey resident, assets will not be subject to Guernsey taxation.
- 4 Pension payments will be made without deduction of tax at source, however you may be liable to payment of tax on receipt of a pension in your country of residence.
- 5 Unlike the UK, a Guernsey based scheme does not require an individual to purchase an annuity, although it remains an option for you to be able to draw down using your pension fund.
- 6 Benefits may (depending on the specific terms of an individual InterRetire QROPS be taken at any time after the age of 55 years.
- 7 Under current tax legislation on the death of a member, their pension fund may pass to their nominated beneficiaries without deduction of tax in Guernsey. If your pension remains in the UK it would continue to be liable to UK tax laws where up to 82% may be levied in tax charges on death.
- 8 The InterRetire QROPS offers investment flexibility including both managed funds and discretionary management and “unlisted assets” for larger plans.
- 9 InterRetire QROPS offers a choice of currency
- 10 InterRetire offer individuals password protected website where you can view details of your investments, investment fund performance and provide links to the investment manager's web sites.



## What else should I know about the InterRetire QROPS Plan?

- 1 Under current legislation, if members who have been resident in the UK at any time during the past five tax years receive a payment or deemed payment of benefits from the InterRetire QROPS, then such payment must be reported to the UK Authorities by the Administrator or Administrator of the Scheme. After five tax years, that requirement to report ceases
- 2 Transfers can be made from most types of UK pension schemes providing the scheme allows a transfer, however it is not possible to transfer a UK state pension in the InterRetire QROPS.
- 3 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 member’s lifetime allowance. The testing of an individual’s lifetime allowance against the value of a transfer can be complicated and all individuals should take appropriate financial and tax advice on this point. Transfers in excess of an individual’s lifetime allowances may be subject to UK Taxation.

## Who is the Trustee of the InterRetire QROPS Plan?

The Carey Group has been operating in Guernsey since 1967 with office in Guernsey, Alderney, Monaco, Zurich, Geneva, Cyprus and Luxembourg .([www.careygroup.gg](http://www.careygroup.gg)).

Carey Pensions and Benefits Limited at the head of the Carey Pension business.

The parent company is ultimately owned in the majority both the partners of the Carey Olsen legal practice in Guernsey, one of the largest law firms in the Channel Islands. ( <http://www.careyolsen.com/>)

Carey Pensions and Benefits Limited hold a full fiduciary licence issued by the Guernsey Financial Services Commission ([www.gfsc.gg](http://www.gfsc.gg))

More information can be viewed on the InterRetire web site [www.interretire.com](http://www.interretire.com) or contact InterRetire at [enquiries@interretire.com](mailto:enquiries@interretire.com)

### Important Information

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 regulations.

The InterRetire QROPS Plan has been established on the basis of current UK tax legislation regarding transfers of UK pensions overseas. All applicants should be aware that the tax legislation may change in future and that this may adversely affect the advantages of the scheme.