

# The Momentum Isle of Man Pension Plan

## Scheme Particulars

The  
International  
Pension  
Solution

  
**Momentum**

## IMPORTANT INFORMATION

This document comprises the Scheme Particulars relating to The Momentum Isle of Man Pension Plan and it has been produced in accordance with the Retirement Benefit Schemes Act 2000 as issued by the Isle of Man Financial Services Authority.

Momentum Pensions Limited does not give legal, tax or investment advice. This document is designed for general use only. It should not be relied on as advice.

Before you act on any information supplied by Momentum Pensions Limited you should first seek independent tax, legal and/or financial advice. You are advised to ensure that any such adviser is licensed by the appropriate regulatory body.

Whilst all reasonable care is taken to ensure that the information and data is accurate, we do not warrant this and all liability is expressly excluded. No liability is accepted, whether in contract, tort or otherwise for any loss, damage or expense which may have incurred as a result of any reliance or non-reliance on any of the information contained within this summary.

Statements in this document are based on information available, the law and practice in force in the Isle of Man at the date of publication and are subject to change.

The Scheme should not be considered as the primary or only source for retirement provision and it should be considered with other retirement provisions including mandatory/voluntary occupational schemes that may be introduced in the foreseeable future.

## PRINCIPAL PARTIES & REGISTERED OFFICES

### Trustee and Administrator

**Momentum Pensions Limited** (“The Scheme Administrator”)

Westmoreland House, 32 Circular Road, Douglas, IM1 1AE, Isle of Man

## DEFINITIONS

“**Act**” means the Isle of Man Retirement Benefit Schemes Act 2000;

“**Administrator**” means the administrator of the Momentum Isle of Man Pension Plan;

“**Authorised Scheme**” means a Scheme approved by the Isle of Man Financial Services Authority;

“**Member**” means a person accepted by the Trustees as a Member of the Scheme;

“**Net Scheme Assets**” means the Scheme Assets less any Scheme liabilities;

“**Protected Rights**” means such additions to Scheme Assets as may be contributed or may have been contributed by the Isle of Man Government and UK Government to the Scheme or to schemes from which assets in relation to a new Member are transferred into the Scheme, as rebates of part of the National Insurance contributions of Members who have contracted out of Isle of Man or UK state pension schemes;

“**QROPS**” means Qualifying Recognised Overseas Pension Scheme that is recognised by HMRC and able to receive transfers from qualifying UK pension schemes;

“**Rules**” means the rules of the Scheme;

“**Scheme**” means the Momentum Isle of Man Pension Plan;

“**Scheme Assets**” means the Initial Fund and all further Property paid or transferred to the Trustee as additions to the scheme assets managed under the provisions of the Scheme, all Property accruing thereto by way of capital accretion, all Property acquired by the Trustees, all accumulations of income accruing to any such Property;

“**Scheme Year**” means the period of 12 months commencing from the date of the establishment of the Scheme and each successive period of 12 months thereafter;

“**Trustee**” means the Trustee of the Momentum Isle of Man Pension Plan;

“**Trust Deed**” means the trust deed relating to the Momentum Isle of Man Pension Plan;

## REGULATORY STATUS

The Momentum Isle of Man Pension Plan is domiciled in the Isle of Man and registered as an approved Retirement Benefits Scheme under the Retirement Benefit Schemes Act 2000.

The Scheme Trust Deed and Rules are provided by Momentum Pensions Limited, a Retirement Benefits Scheme Trustee and Administrator, authorised and regulated by the Isle of Man Financial Services Authority.

The Momentum Isle of Man Pension Plan is recognised by Her Majesty's Revenue & Customs (HMRC) as a Qualifying Recognised Overseas Pension Scheme (QROPS).

## **ROLE OF TRUSTEE**

The Momentum Isle of Man Pension Plan is established by a declaration of trust.

The Trustees of the Scheme are Momentum Pensions Limited who have clear and specific obligations under the Act. In addition to the powers which the Trustees have by law, they have additional powers and discretion as the legal owner of the Trust Fund: including the power to adopt and amend rules regulating the operation of the Scheme and the rights of Members to benefit.

A separate Sub-Fund of the Trust shall be established for each Member, and the Trustees will appoint any Scheme Assets received from the Member, or held in relation to a Member, to the Sub-Fund.

## **ROLE OF ADMINISTRATOR**

Momentum Pensions Limited has been appointed as Administrator of the Scheme under the Retirement Benefit Schemes Act 2000, and the Administrator shall have such duties and powers in relation to the Scheme as provided for by the laws of the Isle of Man and the Scheme Rules.

The Administrator will ensure that the Scheme Assets are in line with our investment guidelines and properly diversified.

## **AVAILABILITY AND PERMITTED MEMBERS**

The Momentum Isle of Man Pension Plan is available to all nationalities including Isle of Man residents, allowing UK expatriates with deferred UK pension funds access to the Scheme via its status as a QROPS. Participation in the Scheme should be considered with other retirement provisions currently in force including voluntary or occupational schemes. Potential Scheme Members should seek professional advice on the suitability of the scheme and any related tax implications that may arise.

## **RETIREMENT DATES**

Retirement may take place between the ages of 55 and 75. Benefits draw down must commence before the age of 75.

## **ANTI-MONEY LAUNDERING PROCEDURES**

The Isle of Man complies with international standards to prevent money laundering. As part of this, we have a requirement to verify the identity of all of our clients, and each Member of the scheme will be required to provide the Scheme Administrators with proof of identity in a manner as prescribed by Isle of Man regulations. We will require either sight of original, or verified copies, of proof of identity (passport, full driving licence) and proof of address (recent utility bill or bank statement).

## **BANK ACCOUNT**

Any funds received will be held by Momentum Pensions Limited on behalf of the Member in the company's clients account, currently held with Barclays Private Clients International Limited. Officers of Momentum Pensions Limited will be the sole signatories.

## TRANSFERABLE SCHEMES

UK pension rights are eligible for transfer into the Momentum Isle of Man Pension Plan either before the Member commences drawing benefit or once they have come into payment. This includes most types of pension scheme including income drawdown currently in payment. It is not possible to transfer the basic UK state pension into the Momentum Isle of Man Pension Plan, or to make a transfer after an annuity has been purchased or Final Salary Schemes are in payment.

## INVESTING IN THE PENSION

The Member may choose an appropriate investment strategy in association with their professional adviser, who once authorised, will be duly appointed to manage the underlying investments.

Upon submission of said strategy, Momentum will consider the investment preferences and ensure that each Member's Scheme is managed in line with the relevant regulatory requirements.

In conjunction with their allocated professional adviser, the Member will control their contributions to the Scheme and how the funds should be invested, subject to any investment restrictions imposed by the Trustee. The Trustee will retain ultimate power and discretion with regards to investment decisions.

## RECEIVING YOUR PENSION BENEFITS

The Momentum Isle of Man Pension Plan offers the following options at retirement:

- Pension commencement lump sum of up to 30% of the accumulated fund, and/or
- Regular income based on the income drawdown or withdrawal of funds principle, and/or
- Option to purchase a pension annuity from an insurance provider.

The Trustees may pass these benefits on to your estate or to other family members. An income may continue to be paid to dependant(s), or a lump sum payment made. A lump sum payment on death would be subject to tax of 7.5%.

## DRAWING AN INCOME

In accordance with the relevant legislation, there is no requirement to purchase an annuity at retirement, however this may be considered.

If the Member chooses to receive a regular income, any residual fund value can go into income drawdown or withdrawal of funds. These withdrawal limits will be within defined parameters and based on the UK Government Actuary's Department (GAD) tables and as agreed with the Isle of Man Assessor of Income Tax.

## ANNUAL REPORTING

In compliance with local regulations, the required annual reporting is submitted to the Isle of Man Financial Services Authority.

Scheme Members will receive annual statements showing their fund value.

## QROPS REPORTING

In accordance with QROPS regulations, the Scheme Trustee and Administrator will undertake specific reporting requirements to HMRC. The Administrator has an obligation to report to HMRC each time a QROPS makes a payment to a Member.

The Scheme Administrator must report to HMRC where: Pension payments to the Member commence; a lump sum payment is paid; death benefits are distributed.

It is the responsibility of the Scheme to follow the HMRC QROPS reporting rules for 10 years from the date of transfer.

The Trustee cannot be held responsible for any penalties, fees or charges levied by HMRC should the Member elect to take their benefits in a way that is incompatible with the QROPS rules.

## PENSION CONTRIBUTIONS

Once the fund is established, additional contributions may be transferred to the Scheme at any time. Contributions to the fund may be made by transfer from the Member's bank account; regular payments from the Member's disposable income or the transfer of existing pension benefits.

An employer is able to make contributions into the fund by way of a lump sum or regular payments.

## TAXATION

No tax is payable within the fund on income and capital gains and there is no domestic Isle of Man tax on the provision of a lump sum. Retirement payments are taxable at 20%, unless there is an effective Double Taxation Agreement in place with the Isle of Man and your country of residence, which allows income to be paid without the deduction of Isle of Man Tax.

## FEES AND CHARGES

The Trustee and Administrator will levy an initial fee for establishing the Scheme and charge an annual management fee. We will agree all charges with you in advance.

All charges and fees are payable upon inception and on the anniversary of the Member's registration. Funds can be deducted from the investment from a holding account.

Full details are contained within our schedule of fees.

## WINDING UP AND DISCONTINUANCE OF THE SCHEME

Upon discontinuance of the Momentum Isle of Man Pension Plan, the Trustee will give notice in writing to wind up the Scheme. Each Member will be notified of their rights and options including the right to transfer the administration and trusteeship to a scheme which is willing to accept the transfer, and which is an Authorised Scheme or such other scheme as may be permitted by the Isle of Man Financial Services Authority. The transfer will include the Net Scheme Assets held by the Trustees at the time, in relation to that Member.

Notice to the Member will include a request to notify the Administrator within 30 days of receipt of the request, of the new administrator or trustee.

In the event that the Member fails to notify the Administrator of their intentions, the Trustees will transfer the Net Scheme Assets to an Authorised Scheme of the Trustees choice, without the Member's consent.

## TRUST DEED

The Trust is established as a personal Defined Contribution Scheme which is authorised and approved by the Isle of Man Financial Services Authority. Please contact Momentum Pensions Limited to obtain a copy of the Trust Deed.

## COMPENSATION

There is no statutory provision of compensation for Members of the Scheme; furthermore, the registration of the Scheme is not an endorsement of the financial performance of the Scheme.

## TECHNICAL AND REGULATORY INFORMATION

Momentum Pensions Limited is registered as a Retirement Benefits Scheme Administrator by the Isle of Man Financial Services Authority under registration number RA102.

Momentum Pensions Limited is the Trustee and Administrator of the Momentum Isle of Man Pension Plan.

The Momentum Isle of Man Pension Plan is approved by the Isle of Man Assessor of Income Tax under Section 2 Income Tax Act 1989.

Momentum Pensions Limited is not authorised or regulated by the UK Financial Conduct Authority.

All assets within your plan are held under irrevocable trust for your exclusive benefit.

Momentum Pensions Limited does not give financial, legal, tax or investment advice. This document is designed for general information only.

Before you act on any information supplied by Momentum you should first seek independent tax, legal and/or financial advice.

Whilst all reasonable care is taken to ensure that the information and data is accurate, we do not warrant this and all liability is expressly excluded. We do not accept any liability, whether in contract, tort or otherwise for any loss, damage or expense which may have incurred as a result of any reliance on any of the information contained within this documentation.

The Scheme Particulars are intended to provide you with key information pertaining to the Momentum Isle of Man Pension Plan. This is not a statement of the full terms and conditions of the Trust and should be read in conjunction with the Trust Deed and Rules. It is based on our understanding and interpretation of current legislation, regulation and taxation. Every reasonable effort has been made to ensure its accuracy.

## CONTACT

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