

# Malta Pension Scheme

## Overview

The  
International  
Pension  
Solution

## INTRODUCTION

Malta is an established Pensions jurisdiction, with its success built on the foundation of a well regulated financial services sector, recognised and respected internationally. Pension Trustees are regulated by the Malta Financial Services Authority, which combined with Malta's membership of the European Union, gives further comfort that your pension is in a well regulated, stable, jurisdiction.

With a number of effective Double Taxation Treaties, schemes that are compliant with Her Majesty's Revenue and Customs (HMRC) rules, and with a legal system similar to the UK, Malta is an ideal jurisdiction for the international expatriate.

## IS QROPS SUITABLE FOR ME?

On leaving the UK you may have left your UK pension arrangements in place.

These pensions remain subject to UK pension law, which may include a withholding tax on income payments, investment restrictions and significant charges on death.

Under UK legislation, as an expatriate or UK resident with an intention to move overseas, you may transfer the value of your UK pension rights to a non-UK pension scheme and thus potentially avoid most of the normal restrictions imposed on the pension fund if it remains in the UK. The transfer must be made to a Qualified Recognised Overseas Pension Scheme (QROPS) that is recognised by HMRC. For EEA resident Members the overseas transfer charge will not apply at point of transfer to a QROPS established in the EEA<sup>1</sup>.

UK pension rights are eligible for transfer into the Momentum Malta Retirement Trust, either before you commence drawing benefits, or once they have come into payment. This includes most types of pension, including income drawdown currently in payment. It is not possible to make a transfer after you have purchased a lifetime annuity or where a pension is already being paid from a Final Salary Scheme.

To establish the suitability of a transfer from a UK pension scheme, we strongly recommend that you speak to a regulated Financial Adviser.

## QROPS SCHEMES AVAILABLE IN MALTA

Our pension scheme is the Momentum Malta Retirement Trust. We have 4 levels of membership available depending on your circumstances and the underlying investment.

- QROPS Lite – For Pension Schemes up to £100,000 in value, using approved life companies.
- QROPS Plus – For Pension Schemes greater than £100,000 in value, using approved life companies or a nominated platform.
- QROPS Pro – For all Pension Schemes where a complete open architecture approach is required.

## SCHEME BENEFITS

- Your Retirement Benefits may be drawn at any time between the ages of 55 and 75.
- You can withdraw up to 30% of the accumulated fund, when benefits have started, as a pension commencement lump sum (PCLS)<sup>2</sup>.
- No Maltese tax on your PCLS.
- Malta has an extensive network of Double Tax Treaties, which allows income to be paid gross, where an effective treaty is in place.

<sup>1</sup> EEA includes Gibraltar, Liechtenstein, Norway and Iceland in this context

<sup>2</sup> In context of this Scheme PCLS means the the lump sum which can be paid when commencing retirement benefits exempt from Maltese Income Tax

## REGULAR INCOME

- Flexible Access Drawdown (FAD) can generally commence from age 55.
- Benefits must start before age 75.
- Income benefits can be drawn under flexi-access drawdown, which means income can be set at any level required by the Member and adjusted as needed.
- Subject to residence in a country with an effective Double Taxation Agreement with Malta, pension income will only be taxable in the country that the member is resident.

## PENSION COMMENCEMENT LUMP SUM (PCLS)

- You can elect to take up to 30% of the pension value as a PCLS, subject to below.
- If you transferred your UK benefits after the 6th April 2017, and you draw benefits within five years of the date of transfer or when you are UK resident or were at any point in the previous ten consecutive UK tax years, then you can elect to take up to 25% as PCLS.
- For UK transfers before 6th April 2017, 25% PCLS applies if you are UK tax resident or were at any point in the previous five consecutive UK tax years.

## ON DEATH

In the event of death, any remaining fund will be paid to your beneficiaries without any deduction of Maltese Tax. However, if you have commenced taking benefits and if death occurs after age 75 and the conditions set out above for a transfer before or after the 6th April 2017 apply, the person(s) who inherit the remainder of the Pension Fund may have a UK tax liability.

## INVESTMENT GUIDELINES

The Momentum Malta Retirement Pension Trust can hold many different types of investments, with some restrictions in line with the investment guidelines adopted by the Trustees.

## CONTACT

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This document should be read in conjunction with the Scheme Particulars.

Momentum Pensions Malta Limited is the Retirement Scheme Administrator of the Momentum Malta Retirement Trust, which is registered as an approved Retirement Benefits Scheme under the Retirement Pensions Act 2011 in Malta. Momentum Pensions Malta Limited is licensed as a Retirement Scheme Administrator by the Malta Financial Services Authority (MFSA). Company Registration Number C 52627.