

International Retirement Benefit Schemes

INTRODUCTION

At a time when state provision for retirement is increasingly under pressure – a trend which is set to continue – it has never been more important to encourage employees, particularly those who will spend little or no time employed in the country where they intend to retire, to make appropriate provision.

A more mobile workforce and increased competition to employ those with the highest level of skills, leads employers to look at ways of recruiting, motivating and retaining their most talented personnel and they are recognising the integral part that pension schemes now play in the total employment package.

INTERNATIONAL RETIREMENT BENEFIT SCHEMES

It can be difficult to assimilate the globally mobile employee, who may remain with the employer for many years working in a variety of locations, into existing schemes. In some cases inclusion in a local scheme may not be possible or may be unattractive to the employee. As a result, an increasing number of employers can see the benefits of establishing an international retirement benefit scheme. These schemes provide a;

- flexible,
- portable and
- cost effective

benefit for a globally mobile workforce.

OUR SERVICES

Praxis Pensions & Benefits Limited establishes and administers defined contribution and defined benefit schemes ranging from those aimed at a small number of “key” employees, to schemes open all employees.

Schemes can be established with a single employer or several participating employers and they and the members can be located in a number of different locations.

ADVANTAGES

Guernsey boasts considerable expertise, both legal and actuarial, in the establishment of retirement benefit schemes for globally mobile employees and as well as proven capabilities in providing efficient and economic administration of such schemes. Guernsey’s legislation also offers flexibility when drafting schemes for employees (members) who are and will not be resident in the Island.

Benefits paid from a scheme established in Guernsey will not be liable to Guernsey tax, providing the member is not resident in Guernsey at that time. A member may be liable to taxation in his country of residence at the time he takes benefit.

Each pension scheme can be established with its own set of rules which can be tailored to meet the specific needs and philosophy of the employer and members. Different rules can apply to different participating employers/members within the same overall retirement scheme.

Terms of membership, contribution levels and the value of the benefits due to members can be determined by the Employer. AVCs can be made freely by members

who may, if plan rules allow, elect to receive an annuity or a lump sum on retirement.

Investments can be selected which will meet the needs of a diverse international membership.

This level of flexibility is achieved using Acupen - a software platform developed to meet the specific requirements of international retirement plans.

SYSTEMS

Acupen administers pension schemes in an efficient and cost effective way, improving communications between all parties and ensuring that the employer and members have the necessary tools required to be actively involved in the pension process.

Using Acupen the employer is able to transfer member data and contributions to the administrator, who will place funds for investment and update individual members' pension accounts. Acupen can also be used by the administrator to automate the payment of retirement benefits.

HOW DOES IT WORK?

Acupen is a web-based administration system. Each employing company has access to an HR database which enables them to maintain and manage member records including;

- personal data,
- contributions data, and
- investment options.

Data can be input direct or via the employer's existing payroll system and is then electronically uploaded into the administrators system.

Acupen is able to handle multiple plans in a multi-currency environment and consolidate all pension related records for a company or group.

The system allows the selection of a wide range of investment options and managers in a multi-currency environment.

On receipt of pension data/contributions, Acupen will "bundle" contributions and produce single instructions to the fund/investment manager. On receipt of contract notes the system "unbundles" these and updates each individual members' record.

In addition to providing the employer with a wide range of reports, Acupen offers secure, web-based, access to each employee allowing them to view;

- scheme information e.g. member booklets, scheme rules,
- contribution history,
- individual member statements and valuations,
- investment data, including details of investment options available and hyperlinks, to underlying fund information.

Hard copy statements can be provided annually as required.

SUMMARY

Praxis Pensions & Benefits Limited combines proven expertise in the administration of International Retirement Benefit Schemes together with the advantages of Acupen, to provide flexible, portable and cost effective schemes, with access to the data members require to make informed decisions about their pensions and the tools they need to implement these decisions.

CONTACT US

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