



BC SIPP

(PFS)

**A personal pension for
Isle of Man residents**

Balley Chashtal SIPP (BC SIPP) is a domestic Isle of Man pension scheme designed for Isle of Man resident individuals who wish to make contributions to save for retirement or consolidate existing pension arrangements.

BC SIPP is a dual tax approved personal pension scheme established under trust in the Isle of Man and regulated by the Isle of Man Financial Services Authority (IOMFSA). Boal & Co (Pensions) Limited is the Trustee and Professional Retirement Benefits Schemes Administrator of BC SIPP.

There are two separate sections within BC SIPP:

- BC SIPP (1989)
- BC SIPP (PFS)

This Member Guide is specific to BC SIPP (PFS).

Established and administered in the Isle of Man, BC SIPP (PFS) is appropriate for Isle of Man residents wishing to start (or continue) saving for their retirement, into one flexible, tax efficient pension scheme which offers investment choice and ease of succession planning.

BC SIPP (PFS) is built upon strong foundations:



Location The Isle of Man is widely regarded as a centre of excellence for pension services, offering unique, flexible but robust legislation for both domestic and international retirement and savings plans. Over the last three decades, the Isle of Man has developed into one of the largest and most reputable international finance hubs, boasting a highly respected regulatory regime and demonstrating strong governance.



Focus Boal & Co does not provide general trust administration, investment or custody services: our focus is entirely on the trusteeship and administration of retirement and pension plans (domestic, international, corporate & personal) supported by our specialist in house actuarial team.



Flexibility BC SIPP (PFS) aims to optimise your retirement choices. The result is a scheme which delivers more benefits, with enhanced flexibility and less tax.



Innovation Boal & Co is an award-winning, established market leader in the design and guardianship of both local and international retirement benefit solutions. We are consistently at the forefront of discussions regarding new Isle of Man pension legislation and changes and are regularly consulted by the Isle of Man authorities on pension matters.



Expertise Established in 1995, we have more than 30 years' experience of delivering local and international retirement benefit solutions. We provide services to more than 45 Global FT 500 companies and have \$15 billion of pension assets under management.



Regulation Our professional expertise is underpinned by the fact that we are regulated by the IOMFSA as a Professional Retirement Benefit Schemes Administrator under the Isle of Man Retirement Benefits Schemes Act 2000. BC SIPP (PFS) is also regulated by the IOMFSA as a domestic authorised Isle of Man retirement benefits scheme.

What are the key benefits of BC SIPP (PFS)?

1. Pension Flexibility

- No upper retirement age
- Freedom to take income at a level of your choosing, payable on a regular basis or via ad-hoc withdrawals of any amount until your BC SIPP (PFS) pension fund is exhausted
- The full fund can be encashed at any time post age 55

2. Succession Planning

- Any remaining fund on death can be used to provide a pension for a spouse and/or dependant and/or can pay out as a lump sum to nominated beneficiary(ies)

3. Retirement Lump Sum

- Option to take a lump sum of 40% of fund value (paid tax free at source)
- Fund balance (after the initial 40% withdrawal) can also be taken as a lump sum (either in full or via ad-hoc withdrawals) subject to tax at your marginal rate

4. Investment Choice

- Ability to appoint a discretionary investment manager, investment adviser or self direct
- Invest in collective investment funds, stocks, ETFs, bonds, investment trusts, cash and structured products, held through an investment account or platform

5. Tax Efficient Accumulation

- A generous annual contribution limit of £50,000
- Tax relief available on contributions equating to 100% of Isle of Man Relevant Earnings
- No Isle of Man tax on investment growth

6. Consolidation

- Ability to receive pension transfers from other PFS schemes (transfers from other Isle of Man schemes are subject to a 10% tax charge)

What pensions can be transferred into BC SIPP (PFS)?

Transfers into BC SIPP (PFS) can be made from most Isle of Man approved pension schemes. However a tax charge of 10% is payable on transfer from any non-PFS scheme.

What contributions can be made to BC SIPP (PFS)?

Other than transfers from existing pension schemes, contributions can be either:

- Personal contributions by you
- Company contributions made by your employer

How much can I contribute to BC SIPP (PFS)?

You can contribute up to 100% of your Isle of Man Relevant Earnings and benefit from tax relief at your highest marginal rate, subject to a maximum total contribution of £50,000, across all your pensions, per annum. If you do not have any earnings you can still contribute up to £3,600 per annum.

How is my BC SIPP (PFS) fund invested?

Investment management can either be self-directed by you or delegated to a financial adviser or investment manager. Investment can be made into any of the following asset classes:

- Collective investment funds
- Private portfolio bonds, investment bonds and other life assurance policies
- Direct stock
- Debt instruments
- Cash deposit accounts

Please refer to the Boal & Co investment guidelines for a full list of asset classes available under BC SIPP (PFS) and any relevant restrictions.

What benefits are paid at retirement?

BC SIPP (PFS) is a Defined Contribution pension scheme, which means the amount of benefits received by you, in the form of pension commencement lump sum and pension income, are entirely dependent on the amount of money paid into your BC SIPP (PFS) fund (less charges) and the investment performance (which may be positive or negative). There are no guaranteed retirement benefits of any form.

Retirement benefits from BC SIPP (PFS) can be taken from as early as age 55. 40% of your BC SIPP (PFS) fund can be taken free of Isle of Man tax at source and there are no limits on how you take your BC SIPP (PFS) pension fund i.e. you may wish to withdraw the entire fund at once or you may wish to take smaller amounts over a period of time.

If you wish to take a sustainable income with the intention of drawing this over your lifetime, our actuaries can calculate a sustainable income for you personalised to your situation. This will take into account how your BC SIPP (PFS) fund is invested (and the range of associated target future investment returns) and your individual life expectancy.

After retirement, if a sustainable income approach is selected, the amount of pension payable to you should be regularly reviewed in line with the investment return achieved by your BC SIPP (PFS) fund. If your fund earns more than anticipated, this can result in an increase to your pension. If your fund earns less than was assumed, this can result in a reduction to your pension. Failure to implement the recommendations of any regular pension review, or sustained poor investment performance, could lead to your BC SIPP (PFS) fund running out.

Will I still receive a state pension?

If you are eligible, you will still receive a state pension. Any benefits accrued under BC SIPP (PFS) are separate to those provided by the Isle of Man Government.

What happens on my death?

If you have a surviving spouse or dependant, your BC SIPP (PFS) fund can be used to provide a continuing pension for them. Alternatively, the residual fund can be paid as a lump sum to your beneficiaries.

You can indicate your preference in the Expression of Wishes section of the application form and this can be updated at any time by way of a separate form, post application.

What is the taxation position?

- Investments held within BC SIPP (PFS) accumulate free from tax (apart from any taxes deducted at source, e.g. dividend income on UK stock)
- At retirement, 40% of your BC SIPP (PFS) fund value can be taken as a retirement lump sum benefit, free of Isle of Man tax at source (on the basis that you have not taken a tax-free lump sum withdrawal from this fund in a different scheme)
- At retirement, any payments in excess of the 40% lump sum are paid after deduction of marginal rate Isle of Man tax at source for an Isle of Man resident, or flat rate 21% Isle of Man tax for a member not resident in the Isle of Man (unless eliminated under a suitable DTA)
- Once your BC SIPP (PFS) is wound up on death, the remaining fund can be paid to your beneficiaries as a lump sum distribution free of Isle of Man tax at source

The above is for guidance only and does not constitute advice. For the avoidance of doubt, Boal & Co does not provide tax advice. Independent tax advice is therefore highly recommended to ensure BC SIPP (PFS) is appropriate for your circumstances.

What are the costs of BC SIPP (PFS)?

The charges for BC SIPP (PFS) take the form of an initial fee and an annual fee for ongoing membership. Both fees are taken from your BC SIPP (PFS) fund. The applicable fee scales are set out in the separate Fee Schedule document.

Investment management charges are agreed between you and your appointed financial adviser or investment manager, and are also paid for out of your BC SIPP (PFS) fund.

Any charges associated with the investments in your BC SIPP (PFS) fund will apply in the usual way. Any fees charged by the financial adviser must be agreed by the financial adviser with you in writing.

Am I eligible for BC SIPP (PFS)?

BC SIPP (PFS) is an Isle of Man approved pension scheme, designed for individuals who wish to make contributions to fund their retirement.

Please contact your financial adviser for details.

Service assurance

If at any time you believe that our service could be improved, or if you are dissatisfied with any aspect of our services, please write to our head office in the first instance: Boal & Co (Pensions) Limited, PO Box 162, Douglas, Isle of Man, IM99 1US, or email pensions@boalco.com

In this way, we will be able to ensure that any concerns are dealt with carefully and promptly.

Any matters relating to the investments in your BC SIPP (PFS) fund should be raised with your financial adviser or investment manager.

How do I join BC SIPP (PFS)?

If you are eligible and have read the BC SIPP (PFS) brochure and accompanying material, and have decided that you would like to transfer any of your existing Isle of Man pension arrangements into BC SIPP (PFS) or wish to start making contributions, you can apply for membership using the application form. The information collected in the application form will enable us to contact your existing pension providers and authorise them to arrange for transfer of the value of your benefits into BC SIPP (PFS), and also to start receiving contributions.

The application form also enables you to inform us who your financial adviser is, and the rate of investment management fees applicable.

Get in touch to talk BC SIPP (PFS)

 +44 (0) 1624 606606

 pensions@boalco.com

Glossary

BC SIPP means the Balley Chashtal SIPP.

BC SIPP (1989) means the section of the Balley Chashtal SIPP that is tax approved under Part 1 of the Isle of Man Income Tax Act 1989.

BC SIPP (PFS) means the section of the Balley Chashtal SIPP that is tax approved under Section 61 of the Isle of Man Income Tax Act 1970.

Defined Contribution pension scheme means a scheme where the benefits are dependent entirely on the amount of contributions paid into the scheme and the investment return achieved on them.

DTA means Double Taxation Agreement.

Relevant Earnings means any income of an individual which is chargeable to tax for the year of assessment, and includes income from employment remuneration, vocational work, patent rights etc. Dividend payments do not qualify as Relevant Earnings.

Professional Retirement Benefits Schemes Administrator means Boal & Co (Pensions) Limited.

SIPP or **Self-Invested Pension Plan** is a form of personal pension arrangement with the widest possible investment choice.

Trustee means Boal & Co (Pensions) Limited as the trustees of the Balley Chashtal SIPP.



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For further information on the regulatory status of our companies please
visit: boalco.com/legal/regulatory