INTERNATIONAL PENSION AND SAVINGS PLANS
Many candidates have an expectation that a pension or savings plan will be provided as part of their compensation package. Further, employees who can be safe in the knowledge that an employer can cater for their financial needs now and in the future, are more likely to remain at the company.

A plan which is cost-effective and simple for employees to understand helps an employer attract, retain and motivate employees. This is evidenced by research, which shows that employers who provide a plan that employees value are compensated with lower rates of staff turnover and higher financial returns.

Unfortunately, there are many occasions where adequate pensions and savings plans are hard to come by. In cases such as these, an international pensions and savings plan may provide a cost-effective solution to employers and employees alike.
An international pension or savings plan is one designed to fulfil the needs of international organisations and internationally-mobile individuals such as expatriates and rotators.

These plans, typical provided from international finance centres such as Guernsey, provide a cost-effective solution where one might not otherwise exist. A Guernsey-based scheme allows:

- Internationally-mobile employees to accrue pension rights while working in several jurisdictions
- International organisations to provide their employees with a pension or savings plan they value
- Individuals living and working in jurisdictions where no suitable solution exists to achieve their retirement and savings objectives.

Examples of regions with poor coverage include South America, Africa, and the Middle East.

Read on to learn how a Guernsey-based pension or savings plan can help
An IPP can be designed for employees of UK companies, or UK subsidiaries of international groups, with long-term assignments outside the UK. The allowed flexibility allows replication of UK pension policies for overseas-seconded employees as required.

Employees can rely on the fact that their overseas secondment will not be at the detriment of their retirement plans.

Further, assets are not subject to the pension lifetime allowance (LTA) nor the annual allowance limits in the UK.

Corporate international pension plans (IPPS) enable international organisations to have a single pension plan for their employees.

Schemes can be tailored to suit the needs of a company and its employees, with the rules of an IPP customised to mirror existing company policies or other established stand-alone schemes if required.

Further, as Guernsey-based IPPs are held in a fiduciary capacity, they offer off-balance sheet segregation between the assets of the pension plan and those of the company.

A SOLUTION FOR UK COMPANIES

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A SOLUTION FOR MIDDLE EASTERN BUSINESSES

The Guernsey position is that IPPs may also be used to pay End of Service gratuities, which are often required to be paid to employees in the Middle East on their leaving service.
There is a growing trend for international organisations to create international savings plans (ISPs) to provide an efficient employer and employee-funded savings facility rather than a long-term retirement facility.

While the rules of an ISP typically provide that the employee receives a lump-sum in cash on the termination of their employment, the rules of a ISP created in Guernsey can be tailored to the needs of the employer and its employees.

Where individuals have a potential exposure to UK inheritance tax, IPPs can be established as Qualifying Non-UK Pension Schemes (QNUPS). Assets of the plan are outside the scope of UK inheritance tax whilst offering succession planning opportunities.

As QNUPS are not UK registered pension schemes, the investment powers can be wider and terms of the drawdown more flexible than for UK schemes.

Individuals can also set up IPPs. For the internationally-mobile individual, an IPP can ensure that their transience will not come at the detriment of their retirement plans.
WHY GUERNSEY?

The features of the island’s environment make it the perfect place in which to establish, administer and manage international pension and saving schemes.
Guernsey provides a tax neutral environment in which the assets of the scheme grow free of taxation and, on drawdown, are paid to scheme members gross. Meanwhile, Guernsey is at the forefront of standards on tax transparency and cooperation and meets all OECD, EU and UK standards.

Over a quarter of a century, Guernsey has attracted and developed unrivalled expertise and now boasts a broad range of established domestic and international pension providers with highly experienced staff, including:

To complement the administrative expertise in Guernsey, fiduciary, legal, actuarial and tax professionals are available on-island.

FIND A PRACTITIONER TODAY! To find a pension provider in Guernsey, visit the business directory at weareguernsey.com.
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