



Momentum Gibraltar Pension Plan

Retirement Benefit Options Guide



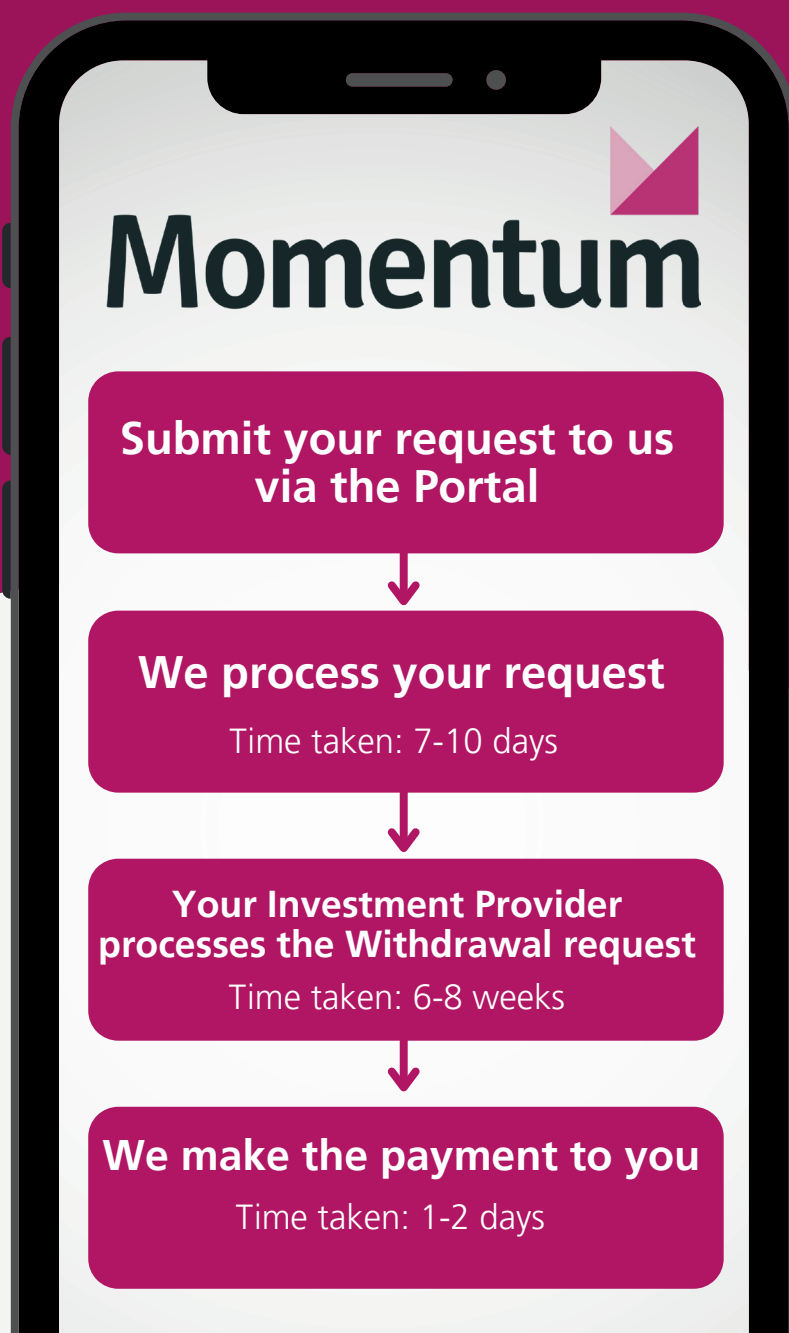
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How do I make a withdrawal?

Follow the steps below to make a pension withdrawal



01. Introduction

This Guide is designed to assist you in understanding your retirement options from the Momentum Gibraltar Pension Plan ("Momentum Scheme"). The Guide outlines the range of retirement benefit options available to you, information on how to request your benefits, the payment options available to you and anticipated timeline, and the typical type of fees and charges which may apply.

To request retirement benefits, your appointed Financial Advisor can advise you and then submit your request through the Momentum Retirement Portal. In the event you do not have an Advisor, you can request the benefits through the Momentum Member Portal. Once a request is submitted, you will then receive a copy of this request by email to review and approve. You can also easily track the status of the request through to payment stage, 24/7 from anywhere in the world through the [Member Portal](#).

We also suggest referring to the [Momentum Scheme Particulars](#) for further information and the [Member Portal](#) to see current details on your Scheme, including your investments.

02. Definitions

"DFM" means a discretionary fund manager selected by you to manage your scheme investments on a discretionary basis. A DFM can also be known/referred to as an Investment Manager.

"Financial Advisor" means a financial advisor with whom we have terms of business in place with and who is appointed by you, to provide financial advice including advice regarding your pension benefits under the Scheme. Advisor may be used interchangeably with Professional Advisor. Your appointed Financial Advisor may change overtime at your discretion.

"HMRC" means His Majesty's Revenue and Customs.

"Investment Advisor" means the investment Advisor appointed by you to provide investment advice in relation to the investment of your scheme benefits. This may be the Advisor also appointed to be your Financial Advisor. Your appointed Investment Advisor may change over time at your discretion.

"Investment Provider" means an investment company/platform or insurance company chosen by you in agreement with your appointed Advisor (if any) and approved by Us into which the scheme benefits are invested. Investment Providers can include but are not limited to an investment platform company, life insurance company or discretionary fund manager. An Investment Provider can also be known/referred to as an Investment Company.

"Member" a person admitted to membership of the Scheme who has subsequently not left the Scheme.

"Momentum Advisor Portal" means a specific online portal designed for Members Advisor to access information about their Members of the Scheme (also known as the Advisor Portal or Adviser Portal).

"Momentum Member Portal" means a specific portal designed for Members to access information about your membership of the Scheme (this can also be known as the Member Portal). Further details on the Member Portal can be seen in the section below titled Accessing the Member Portal and throughout this document.

"Pension Commencement Lump Sum" (PCLS) In the context of this Scheme, means the lump sum which can be paid when commencing benefits which is exempt from Gibraltar Income Tax. For further details see 'Your Retirement Options' section.

"Retirement Portal" means a specific capability available on the Momentum Advisor Portal and designed to provide the online capability to submit a request for the Member to take retirement benefits from the Scheme.

"Uncrystallised Benefits" means pension benefits which you have not taken any retirements benefits from. The opposite term crystallised, is used to describe a pension arrangement where you have previously withdrawn retirement benefits. These will also apply to previous pension arrangements, where you took benefits from and then subsequently transferred the remaining retirement benefits to the Momentum Scheme. This can also be referred to as Uncrystallised Funds.

03. The importance of taking advice and reviewing your investments

The decisions you make now are very important and will affect the retirement benefits that you will receive from your pension fund over your retirement, as well as any benefits you may wish to leave to your dependents in the future. Before taking retirement benefits, we strongly recommend speaking to your Financial Advisor to seek financial advice in understanding your retirement benefit options and the corresponding financial and tax implications. We also recommend seeking tax advice from a qualified tax adviser(s) prior to commencing benefits.

It is very important that you also speak to your Investment Advisor or Discretionary Fund Manager ("DFM" - where applicable), to ensure your investments are aligned to your attitude to risk and financial objectives as part of your retirement plans. Your Investment Advisor/DFM can also discuss possible strategies to de-risk your portfolio during this important stage of your life, including the advantages and disadvantages of doing so, taking your appetite for investment risk into account. De-risking means looking at your investments and options to ensure the risk of sudden reduction in your pension fund due to fall in your investment values is minimized and the impact on your retirement planning is managed. Another key consideration when reviewing your investments is the impact of inflation over time and ensure your pension fund is preserved throughout your retirement and invested appropriately to do so. This is to ensure as the cost of living increases over time, that the real value of your pension fund is maintained.

04. Your Retirement Options

In line with current Gibraltar legislation, you can begin taking your retirement benefits at any time from age 55, regardless of whether you continue to work. In the event of ill health, an early retirement provision may be available, subject to certain criteria.

Typically, your retirement benefits are taken as an initial lump sum called a Pension Commencement Lump Sum and then the remainder of your pension fund is used to provide you with an income during your retirement.

4.1 Your Pension Commencement Lump Sum (PCLS)

When you commence taking retirement benefits, you can normally take a lump sum of up to 25-30% of your Uncrystallised pension benefits, which is exempt from Gibraltar Income Tax. This lump sum is known as a Pension Commencement Lump Sum (PCLS).

This option applies where you have not previously taken PCLS, including from any of your previous pension arrangements before transferring these to the Momentum Scheme. Additionally, the maximum PCLS available to you when you begin to take retirement benefits depends on whether your pension benefits were directly or indirectly transferred (i.e. originated) from a UK Pension Scheme.

(i) PCLS – Where you transferred benefits from a UK Registered Pension Scheme(s) or QROPS¹.

If you transferred pension benefits directly from a UK Registered Pension Scheme or indirectly from a QROPS to the Momentum Scheme (i.e. your pension benefits originated in a UK Pension Scheme), then

- You can commence taking benefit from the minimum retirement age permitted by the UK, which is currently 55. The UK will be increasing this age to 57 with effect from 6th April 2028 and
- The maximum amount of PCLS you can take is subject to the same limits as those set by a UK Pension Scheme

The maximum amount of PCLS you can take depends upon when you transferred your UK benefits and when you ceased to become a UK tax resident (if applicable).

To assist you with understanding how this works and when it applies, we have included a timeline decision tree and further details in the Appendix which outlines how much PCLS you can take.

- a) If the timelines detailed in the Appendix apply, then your maximum PCLS will be limited to an amount permitted in UK Pension Schemes.

This is calculated as the lower of:

- 25% of your fund value
- The UK Lump Sum Allowance at the date you take your benefits. For the current Lump Sum Allowance please visit www.gov.uk/³

1. Qualifying Recognised Overseas Pension Scheme where the pension funds were transferred originally from a UK Pension Scheme
2. Further details of when the UK PCLS restrictions apply have been detailed in the Appendix
3 Unless UK LTA protections are in place. Page 5

For example: If an individual transferred their UK pension scheme benefits to the Momentum Scheme 3 years ago (i.e. less than 5 years ago), then the maximum PCLS the Member can take is 25% of the fund or £268,275, whichever is lower

- b) If the timelines stated in the decision tree do not apply, then you will be able to take up to 30% of your Uncrystallised pension benefits as PCLS and the UK limits do not apply.

It is very important to speak to your Financial Advisor and tax advisor, who will be able to explain this to you in more detail.

(ii) PCLS – Where you transferred benefits from a non-UK Registered Pension Scheme(s) or QROPS¹.

If you transferred non-UK source pension benefits to the Momentum Scheme, then you can take up to 30% of your uncrystallised pension fund at retirement.

Please note: We do not offer the option to take PCLS in a phased manner (i.e. multiple PCLS payments over a period of time) and hence if you wish to take the maximum PCLS, you must do so in full at the point of commencing retirement benefits from this Momentum Scheme. If you elect to take less than the maximum amount available, your remaining fund will be crystallised and used to provide retirement income benefits.

4.2 Your remaining benefits after taking PCLS?

Your remaining benefits held in the Momentum Scheme can provide you with a retirement income in one of the following two ways:

(i) Capped Drawdown Income - Draw retirement income directly from your Momentum Scheme

- You can elect to draw retirement income directly from your Momentum Scheme in the form of a regular income and/or as ad hoc lump sum income, as and when required by you, subject to your maximum annual amount.
- Gibraltar legislation provides that the maximum amount of income you can withdraw from the Scheme annually is capped (referred to as Capped Drawdown), with the aim of your retirement fund providing you with an income over your retirement.
- Your maximum Capped Drawdown income is computed based on your fund size, age and on the actuarial annuity rates published by the UK Government Actuaries Department (GAD rates).
- This maximum capped income is computed at the time of your initial request and this annual income limit will then apply subsequently for three years, hence giving you certainty regarding the level of income you can take annually over this period.
- After three years, your annual income limit will be then reviewed again and thereafter every 3 years until you are 75 and annually thereafter. The date the income is reviewed is known as your “review date”.
- Once your maximum capped income is reviewed, your annual income limit may increase or decrease depending upon the performance of your investment fund and how much income you’ve taken since the last review and current GAD rates.
- Shortly before your review date, Momentum will notify you of your revised maximum annual income limit in advance, so you are fully aware. If the annual income limit increases, then you can elect to take the higher income amount or any lower amount. If the annual income limit decreases, then your annual income amount will be revised to this lower amount going forward until the next review date.
- Where a Members Fund falls to £10,000 (or below) the option to take this full remaining amount as single lump sum income payment can be offered, subject to the Gibraltar Tax Office approval.
- You can also consider taking an income amount less than the maximum, with the aim of making future provisions for your dependents.
- There is no option to take income benefits under Flexi Access Drawdown in respect of these benefits.

(ii) Purchase an Annuity

Alternatively, you can elect to buy a pension annuity at any time, by transferring all or part of your remaining Momentum Scheme benefits to an appropriately licensed Annuity Provider. In this case, you no longer own your pension fund as this is paid to the annuity provider, but you will have a guaranteed income for life.

05. Requesting Retirement Benefits

It typically takes 6-8 weeks from the submission of your initial retirement benefit request to the payment being made to you. The reason for this is that requesting benefits involves several steps and parties, including your investment provider and the Gibraltar Tax office. The follow sections outline clearly the Steps involved and key points to watch out for to ensure your benefits are paid to you as quickly as possible.

Step 1: Take advice and then ask your Financial Advisor to submit your request through the Momentum Retirement Portal.

Before requesting any benefits, it is strongly recommended to seek financial, investment and tax advice first.

Your Financial Advisor will submit your request through the Momentum Retirement Portal available on the Momentum Advisor Portal. If you do not have a Financial Advisor, you can submit the retirement request via the Member Portal.

Once the request is submitted by your Financial Advisor, together with required supporting documents, you will then receive a copy of this request by email to review and to approve the request. You can also track the status of the request through the [Member Portal](#).

Please also ask your Investment Advisor /DFM, **to ensure there is sufficient cash available in your investment account** before the payment date(s) as otherwise the payment will fail as outlined below.

Step 2: Momentum process the request.

After you approve the request, Momentum will then automatically receive your request. We will then review the request to ensure there is no change in your personal circumstances and to review your maximum PCLS and/or Capped Drawdown income, as relevant. Please allow 7 to 10 working days for this review to be carried out by Momentum.

Once completed, the status of your request will be updated on the Member Portal.

If this is your first request, before any payment can be made, Momentum must notify the Gibraltar Income Tax Office and seek their advance approval.

Step 3: Momentum will request a withdrawal from your Investment Provider.

Momentum will then request a withdrawal for the amount you requested from your Investment Provider. We do so by submitting a withdrawal request directly to your Investment Provider. Your advisor will be cc'd on this request, so they are aware it has been submitted.

Once submitted, your Advisor will be responsible to ensure there is sufficient cash and for checking with the Investment Provider that they have paid the money to Momentum, in time to pay you your benefit payment. Momentum's focus is on processing our members requests for retirement benefits and therefore we are unable to accept responsibility for chasing Investment Providers to pay the withdrawal.

A common reason a retirement benefit is not paid on time is due to there being insufficient cash in your Investment Provider policy/account. In such instances the withdrawal will fail and your investment provider will not make the payment to Momentum, rendering us unable to pay you. If there is insufficient cash available, your Investment Advisor must submit a dealing instruction to sell investments to cover the withdrawal amount.

Important to Note: *It is imperative that you liaise with your Advisor(s) in advance of each benefit payment, so they can ensure there is sufficient cash available to fund each withdrawal and to take the necessary steps if not. It is important to note that it is you and your Advisors' responsibility to ensure the money from your investment company is paid to Momentum in a timely manner to enable us to pay you.*

Step 4: Momentum Make the Payment to you.

Once we receive the money from your Investment Provider and once everything is in order, we will process your benefit payment to your nominated bank account within 48 working hours of receiving the money from your investment provider, on a reasonable endeavors' basis.

Once this is done, you will receive an automated email confirming the payment has been made to you. It may take the banks a few days thereafter for the payment to arrive in your bank account. Should you not receive the money within 5 working days, you should notify us immediately.

06. How to track if the Payment has been made to you?

Using the Momentum [Member Portal](#), you can quickly check if Momentum has received the funds from your Investment Provider and processed your payment.

Simply log into the Momentum [Member Portal](#) and download your client bank statement by selecting the CIB bank statement option.

07. Payment of your Retirement Benefits

Bank transfer payment.

The payment of your retirement benefits (PCLS and/or Income) is generally made by direct bank transfer from the Momentum Scheme to your nominated bank account, held individually or jointly in your name.

Payment can be made to a UK bank account, European bank account and bank accounts in most other countries. For payment to UK bank accounts this can be made using BACs, Chaps Or Faster Payment options. Our default is to pay by BACs, unless specifically requested otherwise by you or your Advisor, on the Retirement Portal when submitting the request.

With the aim of protecting Members from fraudulent activity, when you commence taking benefits or if you subsequently change your bank account, we may require a copy of your Bank Statement or verify your bank details directly with your banking provider, where this option is available. We also reserve the right to undertake a verification phone call with you, prior to benefits being paid.

Please do not forward any scanned documents, including personal documents or bank statements, by email to us or your Advisor. Additionally, avoid accessing your computer in a public area without firstly ensuring you have adequate IT security and document protection in place. This is to ensure you are not subject to any fraudulent attempts. **We cannot take responsibility for any such actions.**

08. How are your Retirement Benefits Taxed?

Gibraltar Tax Position:

The PCLS paid to you is exempt from Gibraltar Income Tax.

Capped Drawdown income paid to you is subject to tax in Gibraltar at 2.5%. Momentum will deduct this tax before making the payment to you and the net amount will then be paid to you.

Momentum will subsequently forward the tax deducted to the Gibraltar Income Tax Office and file a tax return annually with the Gibraltar Income Tax Office. This ensures your Gibraltar income tax responsibilities are taken care of for you by Momentum.

What about the tax position in my country of tax residency:

You may be liable for tax on your retirement benefits in the country of tax residency (this may also apply in the country where you are domiciled and/or where you remit funds) at the time of the payment.

It is also important to note that your PCLS may not be tax free in your country of residency. You will need to seek tax advice and/or liaise with your tax authority to confirm the tax treatment of the PCLS and your Retirement Income. If you are a US person you may also have US tax filing and payment obligations which should be confirmed with your US tax advisor (please refer to our Scheme Particulars and Terms of Business).

You are responsible for factually declaring all retirement benefits received to the relevant tax authorities outside Gibraltar and ensuring compliance with all tax laws. Hence seeking the services of a qualified tax adviser in the relevant tax jurisdictions is recommended.

Finally, should you subsequently move country or jurisdiction, it is a legal requirement that you notify us of your change in residence immediately. This can be done by logging into your Member Portal and updating your tax residency.

Please Note: As outlined in our Terms of Business, we do not provide tax or financial advice, and the tax treatment of any benefits paid to you is based on our understanding of the current Gibraltar tax legislation. However, we cannot accept any responsibility where a subsequent tax liability arises or where any tax authority subsequently confirms a different tax treatment.

9. Fees and Charges Payable

Momentum Fees: The current Fee Schedule for the Momentum Scheme is available by clicking [here](#). In the event any supplementary fee applies for additional services, as detailed in our Terms and Conditions of Business, this will be confirmed in advance to you, unless already provided for in the Fee Schedule.

Bank Charges: Where the payment is made to you, bank charges as levied by the issuing and/or receiving Bank will be chargeable and deducted from your payment. Where you request CHAPS, Faster or Foreign Payment, then the bank fees payable will be higher than standard banking charges and can be confirmed with us or your Advisor in advance of payment, if required.

Investment Provider Fees: If an asset(s) needs to be sold then your Investment Provider will typically charge dealing charges to execute the sale instruction. In making the payment to Momentum, they may also charge bank charges and withdrawal administration charges. Depending on your selected Investment Provider and withdrawal amount, a surrender penalty may also apply. Please speak to your Investment Advisor who can confirm and refer to the fee information provided to you initially on investing by your Advisor.

Investment Fees: Where underlying investments are sold to fund the payment, there may also be charges payable to the Fund/Investment Manager for the sale of such underlying investments.

Your Investment Advisor and/or DFM will be able to provide you with full details of all investment fees and charges payable on processing your retirement benefit request, including underlying investment fees, dealing fees and early surrender fees, if applicable.

IMPORTANT INFORMATION

In line with our Terms and Conditions of Business, Momentum Pensions (Gibraltar) Limited ("Momentum") does not give legal, tax or investment advice.

This document is designed for general information use only. It should not be relied upon as a substitute for financial or taxation advice. Statements in this document are based on information currently available, and the law and practice currently in force in Gibraltar, and are subject to changes in such information, laws and practice; the receipt of this document after the date hereof, should not be relied upon as implying that such statements remain correct.

Retirement options may also be influenced by any further regulatory restrictions imposed by the jurisdiction where the pension funds are being transferred from.

Whilst all reasonable care has been taken to ensure that the information is accurate, Momentum does not warrant this, and all liability is expressly excluded.

No liability is accepted, whether in the contract, tort or otherwise for any loss, damage or expense which may occur as a result of any reliance or non-reliance on the information contained within this document.

Further information about the Scheme and/or your Retirement options may be obtained by contacting the Scheme Administrators at:

Email: retirements@momentumpensions.com

Gibraltar Tel: +35020076630

Appendix

Under UK legislation, if at the point of taking your PCLS you fall within one of the timelines shown in the diagram below, then your PCLS should be limited to the amount authorised by the UK. In the event you take a higher PCLS amount, then you may be subject to a significant UK Tax Charge on the excess.

It is imperative that you factually declare the date you left the UK and ceased to be UK Tax Resident when your retirement benefit request is submitted. Please also note we are legally required to report all payments to His Majesty's Revenue and Customs.

The following illustrates when the PCLS should be limited to the amount authorised by the UK HMRC.

This assessment should be carried out at the time of requesting the PCLS.

