



INTEGRITY, TRANSPARENCY, SIMPLICITY



THINKING OF ESTABLISHING AN  
**INTERNATIONAL RETIREMENT PLAN?**



If you are thinking about establishing a new international retirement plan for your employees or looking to transfer from your existing provider then we are here to help.

There are two key points that we keep hearing about in the media that will affect our retirement, they are:

- we can expect to live longer and as a result can look forward to more years in retirement than previous generations; and
- the onus of saving for retirement is increasingly being passed from governments onto individuals



Passing the saving burden onto individuals is easier said than done as everyone has differing circumstances which will determine the level of saving, they can, or are willing to commit to their retirement.

The reality is that the 'saving burden' can be shared, by employers providing retirement plans to employees and by doing so, they have complimented

state arrangements. However, in today's global economy the pressure on employers to provide retirement savings plans for employees has intensified.

Of course, this also applies to multi-national organisations with internationally mobile employees ("IMEs") and local national employees located in jurisdictions without suitable retirement plan provision.

Multi-national organisations range in size from the very large to the fledgling. Even the smallest multi-national organisations are in the same position as the largest multi-national employers, that is, they want to, or are expected to, provide international retirement benefit plans to their IMEs and, where appropriate, local nationals. Specialist advice in this area is available but can be expensive and at a cost that some employers cannot justify.

For multi-national organisations wishing to find out more about what the market offers, or indeed when reviewing existing arrangements, there are some salient factors that should be considered when choosing a suitable international retirement plan provider?

The following guide covers some of the more important factors that need to be taken into consideration to help you in your decision making.

#### **Plan design**

For their IMEs and local national employees plan sponsors may seek to replicate existing domestic arrangements (e.g. US 401(k) or 403b), with an international retirement plan.

Offshore regulation provides a broad plan framework allowing the plan sponsor to define contribution levels, matching and vesting rules, retirement ages and withdrawal options.

#### **Where should the international retirement plan be domiciled or located?**

Locating your plan in the Isle of Man has the following benefits:

- a politically and economically stable jurisdiction
- no exchange controls
- independent legal and taxation system
- favorable tax treatment for non-residents
- competent service providers
- part of the international banking system; and
- a robust regulatory framework

### Plan structure comprises the following constituent parts:

- a holding vehicle – this is usually a trust
- operations and administration services
- member record keeping
- investment administration and nominee custody services
- 24/7 interactive web functionality; and
- banking facilities

### 'Bundled' and 'un-bundled'?

Selecting either 'bundled' or 'un-bundled' is usually determined by plan size and/or historical factors. A bundled plan is where all services are provided by one vendor, un-bundled describes a plan with multiple vendors each providing a part of the service.

We offer both 'bundled' services either by creating new bespoke solutions for clients or by utilising our off-the-shelf product for the more budget conscious employers. Our 'un-bundled' service can also be used where a client may want the various roles provided by different parties, in which case different providers perform specialist roles.

### What are the benefits of having a Trust based plan?

- Trust segregates employee and employer contributions
- Trust segregates members' assets from the assets of the employer
- The investments options provided are independent from the plan vendor
- The investments held are for the exclusive benefit of the plan members

### Our administration services include:

- Flexible contribution processing
- Segregated member record keeping
- 100% allocation of plan contributions
- Free switch and redirection processing
- Daily fund prices and exchange rates
- Processing of withdrawals, terminations, retirements and death claims

### Investment administration services include:

- Access to a core range of offshore investment funds (offshore funds enable the members to enjoy 'gross roll up' of investment gains)
- invest with globally recognised investment fund managers
- Access to institutional class funds which have no entry fees and lower annual fees than retail class
- Daily traded funds, without redemption penalties
- life styling options are also available

### Web-based servicing includes:

- plan sponsor and member access 24/7
- secure contribution file upload
- member investment switch and redirection requests can be made online
- beneficiary nominations can be made and updated online
- a full member contribution history.
- online enrolment for new members

- standard suite of reports – for both members and plan sponsors
- dynamic plan valuations showing plan value based on the latest fund prices
- access to investment fund fact sheets
- member statements available electronically; and
- retirement planning tools to assess risk and estimate account value at retirement

### Fees and pricing

We want you to understand fully what the fees you will be paying are for, and that you are paying a fair price for a good service. So, we are happy to commit to the following:

- Our fees are, and will always be, 'fully transparent'. Some providers make implicit (or hidden) charges which are not always obvious or fully disclosed
- If you are working with an intermediary our plan pricing will never include built in commission, compensation or remuneration for the intermediary
- We do not charge for making changes to your plan, producing ad-hoc reports you may require or for any development or web enhancements we make.
- We do not charge your plan members for fund switching or election changes

Fees can either be met directly by the plan sponsor or allocated to the members accounts.





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**iPlan Retirement Solutions Limited** is a company incorporated in the Isle of Man No. 123460C and is registered with the Isle of Man Financial Services Authority as a Professional Retirement Benefits Schemes Administrator.