

Member Guide



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Glossary of terms

Additional Voluntary Contributions: Also referred to as AVCs. These are Member Contributions over and above the Member Contributions you choose to pay.

Beneficiary: A person or persons, nominated by you, to benefit in the event of your death.

Contribution: Any monies received from your Employer or you to be allocated to the Plan.

Employer Contributions: Monies allocated to your Employer Contributions Policy that represent Contributions from your Employer.

Member Contributions: Monies allocated to your Member Contributions Policy that represent Contributions made by you.

Lifestyle Investment Strategy: A Lifestyle Investment Strategy automatically moves your Retirement Account from higher risk investment options to lower risk investment options as you move towards your retirement age.

The Investment Strategy has a fixed retirement age of 65. Upon you reaching the age of 65 your investments will be managed on a low risk basis.

Plan: Horizon Guernsey Pension Plan provided by Gower Pensions Management Limited for you and your Employer.

Policy: A share of the Plan attributable to an individual Plan member.

Planholder: The legal owner of the Plan and all policies within the plan.

RATS: Retirement Annuity Trust Schemes.

Retirement Account: This is the portion of the Plan where your Member and Employer Contributions are invested. On logging into ZIO, the portions of the accounts are referred to as 'Policies'.

Redirection: The process of changing an investment strategy to ensure that future Contributions are invested in a different way.

Retirement Age: The age at which the individual Plan member expects to cease Employer or Member contributions and take benefits from the Plan.

Switch: The process of selling Units from one investment fund and purchasing Units in another investment fund.

Unit: The portions into which a Fund is divided.

Vesting: The period during which you will not be entitled to retain the full value of your Employer Contributions should you leave service.



Introducing the Horizon Guernsey Pension Plan

Retirement may seem a long way off, but the truth is that many people are not as prepared as they should be. When they retire, their salaries or pay will stop and their savings may not be enough to support the lifestyle they've promised themselves.

By starting planning earlier on in your career the more likely you will be able to achieve your retirement goals and, with this in mind, **Gower Pensions Management Limited (GPML)** has introduced the Horizon Guernsey Pension Plan (the Plan) to help you save for the future.

In this guide we will explain how the Plan works and the ways it can support your long term financial needs through regular savings. It includes things like who provides the Plan and choices available to you.

The information in this guide cannot override the provisions of the Plan terms & conditions/Plan Rules and RATS Rules.

About the Plan

To be effective, a Retirement Pension Plan should offer a number of key features. These include a range of investment options, flexibility, simple and efficient administration and cost efficiency.

The Plan is a 'Defined Contribution' Plan which means that you pay Contributions, the value of which changes in line with investment returns. When you leave employment and take these benefits it will be based on the value of those investments at that time.

GPML has appointed Zurich International Life Limited as the chosen provider for this Plan. Zurich International Life Limited (Zurich) are part of the Zurich Insurance Group, who were founded in 1872, and are one of the world's largest insurers with around 54,000 employees serving customers in more than 210 countries, and so have a wealth of experience.

The Plan is established under a trust arrangement and is therefore ring-fenced from the assets of **GPML** and can only be utilised for paying benefits to the Plan members.

Further details on Zurich and the Trustee can be found later in this guide.



Joining the Plan and Contributions

Joining the Plan

Please contact **Scott Rowe** at **scott.rowe@gowerpensions.com** if you wish to join the plan.

Contributions

Payments into the Plan are known as Contributions. There is no maximum to the Member Contribution level that can be made to your pension in any one year; however no tax relief will be granted for contributions in any year in excess of the lower of £35,000.00 or 100% of Taxable Income.

Within the Plan you will have your own 'Retirement Account' and within your Retirement Account you will have separate sections (policies) for the Contributions you make (Member Contributions) to the Plan from those made by your Employer (Employer Contributions).

An employer of a member is permitted to contribute to the scheme if they wish to do so. If the contribution is an Ordinary Contribution it will be allowable as a deduction for tax purposes in the accounting period in which it is paid.

The Plan permits you to make additional Contributions (Additional Voluntary Contributions or AVCs).

Increasing average life expectancy means you may be able to look forward to being retired for many years, and in order to help plan for a longer retirement it is worth considering making additional savings to the Plan.

Transferring existing retirement benefits into the Plan

Subject to trustee consent it may be possible to transfer funds from previous pension or savings plans into the Plan if the owner of the transferring plan is prepared to make the transfer and local laws permit.

Before making a transfer you should consider seeking independent professional financial and tax advice as the transfer could result in a tax liability or have other unanticipated impacts and may not be in your interests.

Currency

Contributions will always be paid into your account in GBP.

Whilst you can make investments in a range of currencies, your account will be valued in GBP.

Vesting

If you join the Plan as part of an Employer sponsored arrangement you may have restrictions placed upon your Employer Contributions. You should seek clarification on those restrictions with your Employer and by reviewing the RATS Rule guidance notes for schemes approved under Section 150 of the Guernsey Income Tax Law, 1975, as amended.



Your investment options

There are three approaches which you can consider when deciding how to invest your money within your Account:

1. Discretionary Investment Management
2. Lifestyle Investment Strategy
3. Self-select Investment Strategy

1. Discretionary Investment Management

Under this option a discretionary investment manager will select and monitor investments for you in line with your investment attitude to risk. They will choose which assets to hold and when to buy and sell in order to try to achieve the best returns.

2. Lifestyle Investment Strategy

This option uses the discretionary investment management option detailed above but with your attitude to investment risk being determined by your age. Your Plan will be subjected to decreasing levels of risk as you become closer to normal retirement age (which is set at 65 years old).

3. Self-select Investment

Under this option, you will be fully responsible for selecting and monitoring your investments from the range of funds available on the ZIO platform.

Once your Retirement Account is live and you have access to ZIO you will have the ability to switch into a selection of funds detailed in the below Fund Centre link:

<http://webfund6.financialexpress.net/clients/zil/pricetable.aspx?range=ipp&scheme=165¤cy=GBP>

A full list of funds and their performance can be found in the Fund Centre which is either accessible through the above web link, or via the home page of ZIO once you have logged in.

RISK WARNING

Please note that the value of any investment and income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

It is recommended that you always seek advice from a relevant financial professional prior to making any investment decisions.

Fees and charges

Scheme Administration Fees:

- A trustee and administration fee per year of £100 plus 0.25% of the value of your Retirement Account will be payable to Gower Pensions Management Limited.
- A platform administration fee of 0.40% per year of the value of your Retirement Account will be payable to Zurich.

Investment Management Fees:

- An investment management fee of 0.75% per year of the value of your Retirement Account if you have selected the Discretionary or Lifestyle investment options.
- A Plan adviser fee may be payable to your Financial Adviser if you have one appointed but only if you have agreed so in advance.

All fees will be taken monthly by Unit deduction from your Retirement Account and will be reflected in the value of your account balances.

In addition to the above fees, each fund has an annual management charge which is paid to the underlying fund manager. This charge is incorporated into the fund price. Further information about fund charges can be found in the Fund Centre on ZIO.

If you invest in a fund denominated in a currency different to your Retirement Account currency the transaction will be carried out using the applicable currency exchange rate applied by Zurich for that date.

There are no fees for joining but you should refer to our GPML enrolment form for costs on leaving the Plan.



Receiving your benefits

Benefits can be paid from the Plan any time after you reach the age of 50 but you must have commenced the taking of benefits by age 75. The payment of benefits is always in line with the rules and regulations of Section 157A and Section 150 of the Guernsey Income Tax Law 1975, as amended. Members of employer sponsored schemes may have additional restrictions placed on the scheme and the timing for commencement of your benefits.

What benefits can I take at Retirement?

Once you have reached an age where benefits may be taken you have the following options:

- Take a single lump sum payment, up to 30%* of the value of your Retirement Account, in accordance with Guernsey Income Tax parameters.
- Commence drawdown of an annual income. The level of income drawdown will be within set guidelines to try and ensure you receive an income for life. Payments will be made annually for the duration of your life or until your Plan funds are exhausted (whichever should occur sooner).

*or as the law as amended, governing the deed may permit

Is there anything else I need to know?

Where you join an employer sponsored scheme and subsequently leave their employment, your options could include:

- You may be able to remain a member of the Plan, where you may continue to benefit from any investment growth, until such time as you need to commence taking benefits. However you will no longer be able to contribute to your Retirement Account.
- You may be able to transfer the value of your Retirement Account to another of our retirement plans, or to another approved Plan.
- You may be able to close your Plan and have the value of your contributions returned to you less Guernsey tax. Any Employer Contributions may be returned to your employer. You should seek appropriate advice before requesting this option.

In the event of your death

The Trustee has some discretion as to who shall receive the current value of your retirement account if you die.

However, they will give full consideration to the person(s) whom you have nominated as your primary Beneficiary(ies). If no Beneficiaries have been nominated at the time of your death or you have yet to commence taking benefits any residual value will be paid to your Estate.

Zurich International online (ZIO)

Account access

A key feature of the Plan is online access to your Retirement Account at any time, from anywhere in the world through Zurich International online (ZIO).

Through ZIO you can:

- View your personal details
- Use the Rate of Return calculator to determine how your Contributions and investments are performing
- Use the Retirement Planner to project the value of your current retirement account plus future Contributions at retirement or determine your attitude to investment risk.
- View the current and historic values of all the individual policies that comprise your Retirement Account and the overall value of the account
- View details of each individual Policy including Contributions paid, current investment strategy and changes of investment strategy (Switches)
- If you have been approved by the Trustees to self-select your investments you can change how your existing funds are invested (Switch) and/or change how future Contributions will be invested (re-direction)
- View and download literature including plan handbooks, user guides, servicing forms and other items.
- Access your plan Fund Centre
- Produce a number of reports including statements

You can access ZIO by logging into the Zurich website on <https://online.zurichinternationalsolutions.com>.

When Zurich has set up your Retirement Account and your first Contribution has been received, you will automatically receive a self-registration email which will include your username and details of how to create your ZIO account. When completing your ZIO registration you will be asked for an Employee identification number/payroll reference, so please make sure you have this available.



Tools to help you

The following tools, all available on ZIO are designed to help you with your investment choices.

Retirement Planner tool

The pension projection tool allows you to obtain an indication of the future value of your Retirement Account. You can project the value of your current holdings and future Contributions to determine a likely lump sum value of your Retirement Account at your retirement age based on a range of assumptions including investment growth, inflation and so on. It should be noted that the tool is merely providing a projection or indication of future values and is not making any guarantees around future fund values

Attitude to Risk Assessment tool

The assessment tool takes the form of a series of questions designed to support you in identifying what kind of investor you are. The tool will then suggest a mix of classes of investments that may be suitable for your identified investor type. It is important to note that the tool does not provide investment advice, but suggests a mix of investment fund asset classes appropriate to your identified risk appetite based on the risk profile of these assets; it is for you to decide whether you follow the suggested risk profile and to which funds you use to do so. An individual's attitude to risk can change over the years; for example due to changes in financial position, lifestyle or family situation. It is therefore advisable to perform the risk assessment on a regular basis. If you are not self-selecting your investments and have opted for the Discretionary or Lifestyle investment approach your attitude to risk will have been determined at the outset.

Individual Rate of Return calculator

This tool provides you with a means to identify the actual investment returns that you have achieved from your investments. It can do this for the overall holdings as well as for each individual investment fund over various periods.

Fund Centre

Your plan specific Fund Centre provides details of the funds available for your plan, current and historic prices, fund performance figures, fund factsheets, risk ratings and fund charges.

About Zurich

Zurich is registered in the Isle of Man.

The Island has established its own Insurance and Retirement Benefits Acts, ensuring that authorised companies have sound and professional management and that the interests of Sponsors and their members are protected. Zurich is authorised in accordance with the Insurance Act 2008 to conduct long term insurance business from the Isle of Man under the supervision of the Isle of Man Financial Services Authority (IOMFSA). The Insurance Act obliges senior management and controlling parties of insurance businesses to be fit and proper, and that the companies are financially sound.

The legislation is clear and comprehensive and the reporting requirements it contains satisfy the IOMFSA's strict supervisory needs.

About Gower

Gower Pensions Management Limited is licensed and regulated in Guernsey by the Guernsey Financial Services Commission.

At Gower Pensions Management we are committed to providing a highly professional service to our clients. In today's world of ever-changing economic forces, our clients can be assured that we are actively managing their pension benefits to achieve their desired financial objectives. Our position as a leading pension provider of Retirement Annuity Trust Schemes (RATS) for Bailiwick residents, together with our ability to offer Pan-Island schemes and provide services to international clients has enabled us to develop a variety of pension solutions (including the Horizon Pension range) to meet their relevant planning needs.

Important information

Taxation

Zurich is incorporated in the Isle of Man and does not pay tax in the Isle of Man on capital gains and income attributable to Planholder investments. This means that your investment can grow from year to year virtually tax free, taking advantage of an effect known as 'gross roll-up'. There may however be an element of withholding tax deducted from some income and dividends within certain funds that cannot be reclaimed.

The tax treatment of any Contributions into and any benefits taken from this Plan will depend on the payer of the Contributions and your own personal circumstances. It is always advisable to consult your relevant financial professional if you are in any doubt as to the extent to which you may be liable to any tax under this Plan.

The tax and legislative information contained in this document is based on Zurich and the Trustee's understanding of Isle of Man legislation as at May 2019 which may be subject to change in the future without notice.

The Trustee and Zurich are unable to provide individual tax guidance and it is recommended that you always seek professional tax advice, for further information about the Plan please refer to the contacts on page 15 of the guide.



Contact details

For information regarding the Plan:

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Zurich Corporate HelpPoint team
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E-mail: corporate.pensions@zurich.com

For copies of the Trust Deed and Rules:

Contact Gower Pensions Management Limited

