



Freedom

**An international pension plan
for globally mobile people.**

Whatever your age, and wherever in the world your life has taken you, you will likely want to make the most of what you have. It's right to look at your options, to make the most of the assets that you have and to maximise the opportunities you are given.

You may have a range of different assets that you have accrued over your lifetime through hard work and sensible planning. If you are a non-Isle of Man resident, and have savings accumulated from various sources, you may wish to consolidate them under one roof in a single tax-efficient pension structure, making use of all allowances available to you.

The Freedom International Personal Pension Plan (Freedom) is an international pension scheme designed for individuals who wish to contribute to a pension plan for future retirement planning purposes but are unable to fund a scheme in their country of residence, or are restricted by annual contribution limits.

Established and administered in the Isle of Man (widely regarded as a centre of excellence for pension services), Freedom offers a flexible, tax efficient means to accumulate retirement savings in a fully regulated environment.

Why Freedom?

Imagine an international personal pension plan that:

- Provides more tax-efficiency, both during your life and on your death
- Enables more investment choice, before and after retirement
- Gives the option to change the currency of your pension fund and your retirement pension, to mitigate against exchange rate volatility
- Is specifically designed to accept transfers of international pension arrangements and/or the contributions of cash or assets
- Fully recognises and satisfies the relevant Isle of Man rules, but maximises the opportunities you have as an internationally based tax resident/citizen
- Allows for your spouse, children or nominated beneficiaries to receive your pension fund when you die

Freedom is built upon strong foundations:



Location The Isle of Man is one of the longest standing offshore pension jurisdictions with a highly respected regulatory regime which has been in place for more than 20 years. It is widely regarded as a centre of excellence for pension services, offering unique, flexible but robust legislation which demonstrates strong governance for both domestic and international retirement and savings plans.



Focus We do 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 Freedom is designed as a retirement savings vehicle that satisfies the rationale of the international pensions regime meaning it is ideally positioned to accept post-tax contributions of cash and assets. Freedom aims to optimise the position for members; the result is a scheme which delivers more benefits, and no Isle of Man tax at source on distribution.



Innovation We are an established leader in the pensions industry with tireless drive for progression and responsiveness to changing regulations and client demands. We regularly provide consultation services to large organisations including government bodies.



Expertise Established in 1995, we have more than 25 years' experience of delivering local and international retirement benefit solutions. We provide services to more than 30 FT Global 500 companies and have \$12 billion of pension assets under management.



Regulation Freedom is a pension scheme established under trust in the Isle of Man, and tax exempt approved in the Isle of Man under Section 50B of the Isle of Man Income Tax Act 1970. Freedom is registered as an authorised international retirement benefits scheme by the Isle of Man Financial Services Authority (IOMFSA).

What is an IPP?

International Pension Plans (IPP) are overseas pension schemes established in international financial centres, which are neither the home country of the individual member (personal plans) or the employer and employees (occupational plans), with the sole purpose of providing retirement benefits for members.

What are the key benefits of Freedom?

If you have personal assets, cash, or other international pension arrangements, and are aiming to fund your retirement in a flexible and tax efficient manner, there are several benefits of contributing or transferring these into Freedom.

1. Flexible contributions

If tax relief is available to you on contributions made to a pension scheme in your own country of residence, this is normally the most tax efficient way to save for retirement. However, with maximum annual pension contribution allowances often restricted (and in some cases lifetime limits also imposed) this may not allow sufficient retirement savings to be accumulated.

Freedom can receive lump sum or regular contributions, either from you personally or from your employer on your behalf. There are no restrictions on the level of contributions that you can make into Freedom, and contributions can be received in the form of cash or via an asset transfer in-specie.

2. Consolidation of other pensions/assets

If you have existing personal or employer-sponsored international retirement plans, you may have the option to transfer these into Freedom. Equally, you may also be able to transfer existing investments which represent accumulated earnings or pension plan contributions, or any other assets you hold, into Freedom.

Consolidating your pension arrangements and/or other assets can reduce cost and create simplicity for both future retirement and succession planning.

3. Tax-free roll up of capital and income

Freedom allows you to build up your retirement savings in a tax-free environment, enhancing the growth of your investments. No tax is deducted from your Freedom pension account.

4. Flexible benefits and retirement age

Freedom can provide you with the choice of 100% lump sum, ad hoc lump sums, a structured and sustainable drawdown of pension income, or a combination of these types of benefit payments at retirement.

Benefits can be taken from age 50 at the earliest and would usually commence by the age of 75. (Earlier access may be possible in certain scenarios, on the grounds of incapacity).

5. Gross benefit distributions

All benefit distributions from Freedom, whether paid to you during your lifetime or a beneficiary in the event of your death, are paid without the deduction of any Isle of Man tax at source, under the provisions of section 50B of the Isle of Man Income Tax Act 1970.

In some countries, there is no tax payable on foreign pension benefit payments. In other countries, you or a nominated beneficiary, could have a potential tax liability on pension benefit distributions received in your country of residence, depending on your personal situation (or that of the recipient) and possibly the nature in which the benefits are drawn.

The position will vary from country to country, and you should therefore consult your financial and/or tax adviser regarding the tax applicable in your country of residence based on your specific scenario.

6. Pension fund inheritance on death

There is no requirement, within Freedom, to purchase an annuity with your accrued fund upon retirement. Instead, you can take benefit withdrawals from your fund via Drawdown. This means it is likely you will have a residual fund within Freedom at the time of your death which can be distributed, at the sole discretion of the trustees, taking into account any specific prior nominations you may have made.

Any distribution out of Freedom in the event of death is not subject to Isle of Man tax at source, and your fund within Freedom may fall outside your estate for inheritance tax/estate duty purposes. However, this is a complex area, unique to each individual's circumstances, so it is recommended that you seek independent tax advice to determine the position that would apply to you.

When you set up your Freedom plan, we will ask you to complete an expression of wishes form naming your requested beneficiaries in the event of your death. Probate will not normally be required before these assets can be distributed.

7. Investment and currency choice

Freedom offers a range of pension investment choices, from simple bank accounts to streamlined platform-based investments (such as insurance bonds). It can also offer fully bespoke SIPP-type investment options, including personalised investment portfolios of individual shares and other securities. Investment management can either be self-directed by the member or delegated to an investment manager. Please refer to the section 'How is my Freedom fund invested?' on page 5 for further information on investment choices.

Your Freedom fund can be denominated in the currency of your choice. This means the option for a hard currency is available should you have any concerns regarding exchange rate volatility of your home currency, or should you wish to invest in an asset which requires a specific currency.

8. Regulated environment

The Isle of Man offers a regulated framework for international pensions through The Retirement Benefits Schemes (International Schemes) Regulations 2001, issued under the Retirement Benefits Schemes Act 2000. Freedom is registered as an International Authorised Retirement Benefits Scheme under this regime.

How is my Freedom fund invested?

Investment can be made into any of the following asset classes:

- Collective investment funds
- Private portfolio bonds, investment bonds and other life assurance policies
- Shares and other listed equity investments
- Gilts, corporate bonds and other fixed-interest or index-linked securities
- Bank and building society accounts

The administration charge applied to your plan by the Registered Schemes Administrator will vary depending on your investment choice - please refer to our separate Fee Schedule document for full details.

As Freedom is an 'open-architecture' scheme, insurance bonds and investment funds can generally be selected from any product provider.

For avoidance of doubt, Boal & Co does NOT provide investment advice. Responsibility for investment decisions and performances rests with you, or your appointed investment adviser/manager.

Please remember that investment values will inevitably fluctuate. Investment involves risk. The value of investments and the income from them can go down as well as up, and may be affected by fluctuations in exchange rates. Past performance should not be viewed as a reliable guide to the future. The value of your Freedom investment cannot be guaranteed.

Please refer to Boal & Co's Investment Guidelines for a full list of asset classes available under Freedom.

What benefits are paid at retirement?

Freedom is a Defined Contribution pension scheme, which means the amount of benefits received by you, in the form of pension and/or retirement lump sum(s), is dependent on the following:

- The amount of money paid into your Freedom fund (less charges)
- The investment performance (which may be positive or negative) of your Freedom fund

Therefore, there are no guaranteed retirement benefits of any form. Retirement benefits from Freedom can be taken by you from as early as age 50 and would usually commence by the age of 75.

Your pension benefits in retirement are provided via Drawdown, which means that each year, or periodically, a proportion of your Freedom fund is used to provide pension benefits, while the balance of your fund remains invested. Benefits can be taken as a single 100% lump sum payment, or as a series of ad hoc lump sum payments to meet with your own individual circumstances.

Alternatively, regular pension income can be payable to you by annual, half-yearly or quarterly Drawdown of income and capital from your fund, in a structured and sustainable manner over your anticipated lifetime. As such, it is to be expected that your fund within the Freedom plan will gradually reduce after retirement, through the effect of regular pension benefit payments to you.

You have complete flexibility in how you can take your benefits. Pension payments can be made at whatever level you choose. However, if the intention is to provide an income for life, then the amount of pension you can draw from your Freedom fund will be within a range of amounts calculated by our actuaries and personalised to your situation, taking into account how your Freedom fund is invested (and the range of associated target future investment returns) and your individual life expectancy. We will be able to advise you prior to retirement of the range of permitted pension Drawdown relevant to your individual circumstances.

After retirement, the amount of pension payable to you is normally reviewed every three years in line with the investment return achieved by your fund within the Freedom plan. 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 Freedom fund running out.

Taking a retirement lump sum does not necessarily mean a member has to commence drawing a pension income at the same time.

Depending on your country of residence at retirement, the amount that may be taxable as income or lump sum will vary and you should discuss the most efficient method with your financial adviser.

What happens on my death?

There is no requirement for your Freedom fund to wind up on your death. If you have a surviving spouse or dependant, your Freedom fund can be used to provide a continuing pension for them. You can nominate family members (for example, your spouse or children, if still in full

time education at time of death) to become the new member linked to your Freedom plan, and benefit in the future from pension and other retirement benefits payable from your fund. Any spouse or dependant's pension income may be subject to tax where the recipient is resident.

If you elect for your Freedom fund to be wound-up after your death, any remaining balance can be paid out, at the sole discretion of the Trustee, taking into account any prior beneficiary nomination you may have made. The recipient could also be subject to tax on this distribution depending on their residency. You can indicate your preference in the Expression of Wishes section of the Freedom application form.

What is the taxation position?

All retirement pension and lump sum benefits described in the 'What benefits are paid at retirement?' and 'What happens on my death?' sections are exempt from Isle of Man tax at source under section 50B of the Income Tax Act 1970. There is no taxation relief at source in the Isle of Man on contributions paid into Freedom.

Even if benefits are paid to you free of Isle of Man income tax at source, you may have a liability to tax on Freedom benefits in your country of residence. Tax rates vary widely from one country to another. Therefore, we would strongly recommend you take local tax advice as it is your responsibility to declare Freedom pension benefits on your annual return.

Please note the information given in this document is based on our understanding of current pension law and taxation practice, which may change in the future. No liability can be accepted for any personal tax consequences of this scheme or for the effect of future tax or legislative changes.

Who offers Freedom?

The Freedom International Personal Pension Plan was established and is administered by Boal & Co (Pensions) Limited, which is registered with the Isle of Man Financial Services Authority as a Professional Retirement Benefits Schemes Administrator under the Isle of Man Retirement Benefits Schemes Act 2000.

All Freedom assets are held under trust for members by Boal & Co (Pensions) Limited as trustee of the scheme.

Boal & Co specialises in the provision, administration, and trusteeship of domestic and international pension solutions for companies, partnerships, and individuals. It has operations in the Isle of Man, Jersey, Ireland, Gibraltar, and Malta.

Boal & Co is a member of Abelica Global, a leading international organisation of actuarial consultancy firms.

What are the costs of Freedom?

The charges for Freedom take the form of an initial fee when you make your first contribution or transfer, and an annual fee for ongoing membership. Both fees are taken from your Freedom 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 Freedom fund.

Normal underlying charges, if any, associated with the investments in your Freedom fund will apply in the usual way, subject to any discounts that are obtained. All such discounts will be credited in full to enhance your Freedom fund. In some cases, a financial adviser may charge clients an initial transfer fee in lieu of commission from the underlying investments. In this case, the amount of the adviser's fee must be agreed by the financial adviser with you in writing.

Am I eligible for Freedom?

Freedom is an international pension scheme designed for individuals who wish to contribute to a pension plan for future retirement planning purposes but are unable to fund a scheme or are restricted by annual contribution limits in their country of residence. Freedom is NOT open to Isle of Man residents but is generally available to all other individuals tax resident outside of the Isle of Man. Please note that there are some countries from which we are unable to accept business – please contact us for details.

The minimum investment in Freedom is £50,000.

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 contact our administration office: Boal & Co, PO Box 162, Douglas, Isle of Man, IM99 1US or email freedom@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 Freedom fund should be raised with your financial adviser or investment manager.

How do I join Freedom?

If you have read the Freedom brochure and accompanying material, are eligible, and have decided that you would like to contribute to Freedom, you can apply for membership using the application form. The application form also enables you to tell us your financial adviser is, and the rate of adviser or investment management fees applicable.

Get in touch to talk Freedom

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Glossary

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

Drawdown means the withdrawal of money from a member's Freedom fund in order to provide a pension in retirement. The funds paid out in drawdown will typically include a return of both capital and interest.

Isle of Man Financial Services Authority (IOMFSA) is the regulatory body for the financial sector in the Isle of Man, including the fiduciary, insurance, and pensions sector.

International Pension Plan (IPP) is an overseas pension scheme established in an international financial centre which is not the home country of the individual members, and with the sole purpose of providing retirement benefits for members.

Registered Schemes Administrator means Boal & Co (Pensions) Limited.

SIPP or Self-Invested Pension Plan is a form of personal pension arrangement with wide ranging investment choice.

Trustee means Boal & Co (Pensions) Limited as the trustee of the Freedom International Personal Pension Plan



Retirement
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Pension Trustee Services
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For further information on the regulatory status of our businesses please visit boalco.com/regulatory