

Pension and Employee Services



Mercator is one of the largest independent fiduciary companies in Guernsey and one of the oldest with a business that goes back over 30 years. We are licensed by the Guernsey Financial Services Commission and provide a range of fiduciary services and solutions to both individuals and institutions.

Our pension and employee services are designed for institutions that are looking to establish retirement or incentive based plans for their employees as well as individuals who are looking to establish a tax efficient and flexible plan for their retirement needs. We work with both large and smaller employers and can establish structures for groups or tailor bespoke schemes to meet an individual's requirements.

Our services are delivered by a highly experienced team of administrators. We manage the establishment of the structure, drafting appropriate deeds and members booklets, securing Guernsey and UK regulatory approval as required, dealing with initial pension transfers and subsequent contributions. We will also provide investment and ongoing monitoring of the funds, payment of benefits, regular accounting and member reporting, while working with actuaries to ensure appropriate advice is taken on funding requirements for retirement.

It is essential that specific advice be sought by anyone considering the use of a pension or employee structure and we can recommend legal and tax advisors to assist as necessary.

We provide a range of pension and employee structures including:

- ▶ The Mercator Qualifying Recognised Offshore Pension Scheme (an HMRC registered QROPS);
- ▶ Employer Funded Unapproved Retirement Benefit Scheme ("EFURBS") and Family Benefit Trusts ("FBT");
- ▶ International Pension Plan ("IPP"); and
- ▶ Employee Benefit Trusts ("EBT").



QROPS

The Mercator Retirement Plan is a “Qualifying Recognised Overseas Pension Scheme” (QROPS) based in Guernsey, registered with Her Majesty’s Revenue and Customs (HMRC) and the States of Guernsey Income Tax Authority.

Anyone planning to retire or move from the UK, or anyone who lives outside the UK and has a UK registered Pension plan, should consider the use of a QROPS where the funds are placed in a tax neutral environment outside of the UK. As a result exposure to UK taxes may be reduced.

EFURBS and FBTs

Our EFURBS and FBTs provide a valuable remuneration planning tool for employers and high earning senior executives looking to defer high UK taxes on earnings and bonuses.

The changes introduced by the Finance Act 2009 and the proposal to restrict tax relief on pension contributions means high earners and executives may be interested in diverting bonuses via salary sacrifice arrangements to EFURBS and FBTs, which allows the gross roll up of funds in a tax neutral environment.

They also provide a flexible alternative to UK registered pension schemes where the annual or lifetime allowances have already been used.

IPP

Guernsey International Pension Plans are available to non-Guernsey resident employers to provide benefits for employees who are not residents of Guernsey and who do not carry out any duties of their employment in Guernsey. Where the employee is neither living nor working in Guernsey, then the IPP benefits are free from Guernsey tax.

The IPP offers a flexible solution for internationally mobile employees especially when it comes to investment of the funds, member contributions and benefits.

Key advantages

The key advantages of the above different pension structures are that they are flexible, they are tax efficient, a wide range of investments can be held to suit the investment outlook of individual members and benefits may be drawn down in a number of ways, including lump sum payments (subject to restrictions).

EMPLOYEE BENEFIT TRUSTS

Employee Benefit Trusts (EBTs) are commonly established by private companies to acquire and hold shares and other assets for the purposes of providing benefits to employees, former employees and their families. They can also enable an internal market in shares to be created and they can often play an important role in succession planning. If properly structured and administered an EBT can provide significant tax advantages.

We can offer a range of solutions that are

flexible and
tax efficient



