



LifetimePensions™
Private Pension Scheme

FREQUENTLY ASKED QUESTIONS



WHAT IS A LIFETIME PRIVATE PENSION SCHEME?

The Lifetime Private Pension Scheme is a long term savings scheme designed specifically to help you save for your retirement, with the goal to build up a pot of money to be invested that will provide you with an income throughout your retirement, it will also provide you with a tax free lump sum (up to 30% of the fund value) to be taken upon retirement and provide a residual lump sum to your loved ones should you pass away before or during retirement.

WHAT ARE THE MAIN BENEFITS OF A PRIVATE PENSION SCHEME?



Tax Rebate

For calendar year 2022 the tax rebate will be equivalent to 25% with a maximum total of €750. This is on condition that you are at least 18 years old, and that you are domiciled and/or tax resident in Malta. You are also eligible for a tax rebate when contributing on behalf of your spouse.



Save

There is no limit on the amount that can be contributed to your private pension scheme, however we recommend that you only contribute the maximum allowance per annum to take advantage of the tax rebate that is applied to the scheme.



30% tax free lump sum

You will be eligible to take a 30% tax free lump sum, with the remaining balance providing yourself with an income throughout your retirement.



Retirement

Choose to retire between the age of 61 and 70.



Retirement Income

Income will be paid from the fund.



Tax Efficient Solution

Enjoy tax free growth throughout the lifetime of your pension.



Low Cost

We offer solutions for the best price on the market.



Management

Your pension pot will be managed by experienced professionals.



Beneficiaries

Pass on your pension pot to loved ones upon your death.

WHO CAN HAVE ONE?

The Lifetime Private Pension Scheme is available to anyone who is tax resident and/or domiciled in Malta and aged between 18 and 60. You can also start a plan on behalf of your spouse as long as the requirements for the tax credits are met.

HOW OFTEN DO I NEED TO CONTRIBUTE?

You can contribute through a monthly direct debit mandate as well as having the option to make additional one-off contributions. You also have the option to automatically contribute the maximum allowance eligible for a tax rebate every year. Contributions must be paid into the scheme for a minimum of 5 years in order not to incur additional charges.



CAN I STOP MY CONTRIBUTIONS?

You can stop your contributions anytime you wish and your plan will continue to be invested. If contributions are not restarted within 5 years, charges will apply.

CAN I RESTART MY CONTRIBUTIONS?

Yes, you may restart contributions at any point during your lifetime as long as you are aged between 18 and 69. If contributions are not restarted within 5 years, charges will apply.

HOW MUCH MONEY CAN I WITHDRAW WHEN I RETIRE?

At the time you go ahead and take that well deserved retirement, you will have the option (under current legislation) to take up to 30% of the fund value as a tax-free cash lump sum, and use the remaining fund to provide yourself with an income for life. The value of your retirement fund will depend on the amount of contributions you make and how long your contributions are invested for along with any charges and any taxes payable.

HOW WILL MY PENSION BE PAID?

Monthly payments will be distributed upon retirement, which will be subject to income tax under current legislation at your marginal rate. The value of these payments will depend on the amount that you contribute during your working life, and the performance of the underlying assets throughout the life of your pension scheme.

The above will depend on rules at the time of your retirement and will be subject to the rates available at that time.

HOW MUCH CAN I PAY IN TO THE SCHEME?

There are no limits to the amount you can contribute, however you must carefully plan and be sure that any contributions you agree to making are affordable now and for the foreseeable future. The maximum contribution eligible for a tax rebate is currently €2,000 per annum. We recommend you only contribute the maximum allowance per annum to take advantage of the tax rebate. If you are looking to save more than this amount per annum, we recommend you discuss your financial planning options with a financial advisor authorised to provide financial advice. The minimum contributions are as follows:

| PAYMENT FREQUENCY | MINIMUM | MAXIMUM (to take advantage of full tax benefit) |
|-------------------|---------|---|
| Monthly | €40 | €166.67 |
| Quarterly | €120 | €500 |
| Semi Annually | €240 | €1,000 |
| Annually | €480 | €2,000 |

Above contributions do not include fees. Fees are stated in the scheme particulars.

WHEN CAN I START DRAWING MY PENSION?

Under current legislation you can commence retirement between the age of 61 and no later than 70.

HOW AND WHERE IS MY MONEY INVESTED?

Your contributions will be invested in a range of mutual funds based on recommendations given by the investment manager. You will be required to complete a simple questionnaire in order to determine which investment strategy you would like to proceed with. Having the option of 3 different strategies, these being, Conservative, Balanced or an Aggressive approach.



Each strategy applies a different asset allocation to match your risk profile and rebalances yearly according to your age with the aim to maximize the return of your savings over the long term. The yearly rebalancing also shifts to a less volatile asset allocation to avoid any unwanted movements before declaring retirement.

Conservative – The Conservative strategy seeks to preserve an investment portfolio's value over the long-term by having a relatively higher allocation to lower risk securities such as Investment grade fixed-income throughout the lifetime of the product. The strategy starts with a relatively smaller allocation to blue chip equities, which is allocated to fixed income over the time in order to protect capital as the product approaches maturity.

Balanced – The Balanced investment strategy aims to balance the growth potential, but higher volatility, of equity markets with the stability of fixed income markets over the long term. This strategy focuses on optimising the risk-return balance over the lifetime of the product.

Aggressive – The Aggressive strategy to maximize capital appreciation over the lifetime of the product. The strategy starts with a relatively high allocation to equity markets and shifts to more stable fixed income securities as the maturity of the product approaches. Relatively higher volatility balanced with higher returns over the long-term lifetime of the product is expected.

The asset allocation of each strategy is revised at least annually on the recommendations set by the investment manager. The range of mutual fund providers used in our asset allocations include highly reputable fund houses. The funds used within the scheme are expected to change periodically.

WHAT HAPPENS IF I NEED MY MONEY EARLY?

The Lifetime Private Pension Scheme is a long-term savings scheme; therefore, you should only commit to it when you are confident you can live without the money you are going to contribute until retirement age is reached.

WHAT ARE MY REQUIREMENTS TO UPHOLD THE SCHEME?

To make regular contributions for the duration of the Scheme, to keep the contributions invested until you choose to retire, to invest for the long term and to review your contributions on a regular basis then increase or decrease your regular contributions as necessary to suit your current needs and situation.

CAN I TRANSFER MY PENSION TO ANOTHER PROVIDER?

Yes, you can transfer your pension pot in to schemes of other providers. This is subject to the other scheme being a registered and qualified scheme. Transfer charges apply if you transfer your scheme in the first 5 years

WHAT HAPPENS TO MY PLAN IF I DIE BEFORE I RETIRE?

If you die before you retire, the value of your scheme will be passed on to your beneficiary.

HOW CAN I KEEP TRACK OF MY PENSION'S PERFORMANCE?

We will provide you with an annual statement. In addition to this we recommend you have regular reviews with your financial adviser.

WHAT SECURITIES DO I HAVE WITH A LIFETIME PRIVATE PENSION SCHEME?

One main advantage of choosing to join Lifetime is that CCGM is a sister company of Calamatta Cuschieri Investment Management Ltd. (CCIM) a leading Investment Management company and a fully owned subsidiary of the Calamatta Cuschieri Group.

You can rest assured that your pension is being managed by an experienced investment manager with over 40 years' experience. Today the CC Group manage over €1 Billion of assets for over 15,000 active savers. CCIM provide investment management to a wide range of clients, both locally and internationally that include Investment funds, Pension funds, High Net Worth individuals and Insurance companies. CCIM is licensed by the Malta Financial Services Authority.



WHAT ABOUT TAX?

You may claim a tax rebate against your contributions if you are both:

1. Age eighteen or over at the time when a contribution is made.
2. Domiciled and/or resident for tax purposes in Malta.

At retirement, you may opt to receive up to 30% of the fund value as a tax-free cash lump sum. The balance of the fund value must be used to provide an income in retirement, which is subject to income tax under current legislation.

In line with current legislation, the amount of tax credit granted against contributions is the lower of:

- 25% of contributions paid or
- €750

Any information provided about taxation is based on our understanding of current law and legislation. Future changes in law and taxation, or your own financial circumstances, could affect the treatment of the plan and the amount of tax payable. In order to ascertain your exact tax status, you should seek specific and professional tax advice in relation to your tax obligations under the Lifetime Private Pension Scheme.

WHAT HAPPENS IF I CHANGE MY MIND?

Once your Application Form has been accepted, you have 30 days from the scheme issue date to cancel the application and obtain a refund of your contributions you have made. If you cancel the scheme during this period, you will not be liable to any charges imposed by us. However, any adverse market movement in the value of the investments shall be at your risk. A request to cancel must be received in writing.

FURTHER INFORMATION

Financial Advice - This document is not designed to offer financial advice and therefore should not be used with regards to making a decision about your retirement planning. We suggest you always refer to a financial adviser before planning any form of investment. This document has been produced on our understanding of current legislation and tax laws, which may be subject to change in the future. Any word, expression or amount to which a specific meaning or significance has been attached in any part of this Key Features Document shall bear such specific meaning or significance wherever it may appear.

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