

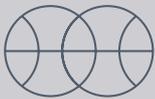


iSelect
**Single Member
Scheme**

Invest in assets that are
close to your heart -
from unlisted shares to
commercial properties.



iSelect
SUPERANNUATION



Freedom and control for your retirement

For most of us, retirement saving provides the key to enjoying our later years in comfort and financial security. However, not every retirement savings scheme offers the freedom to invest how you want, in the things that matter most to you.

The i-Select Single Member Scheme (i-Select SMS) is different. An individualised personal savings scheme, the i-Select SMS is tailored to your needs, giving you total control over the choice of your investments.

Whether you prefer to invest your funds in commercial property or unlisted companies (including your personal or family companies), an i-Select SMS allows you to decide what's best for your future.

An i-Select SMS also offers you total transparency. You have complete visibility over how your fund is managed and invested, and costs are clearly defined.

For true financial freedom in your retirement, talk to your financial adviser about your opportunity to invest in an i-Select SMS.

OVERVIEW

i-Select schemes

The expert team at i-Select have been providing single member retirement saving schemes, both within and outside of the Qualifying Recognised Overseas Pension Scheme (QROPS) environment, for over 10 years. Our focus is on providing quality service and expert support for the retirement investment schemes you choose.

A SMS may provide the financial freedom and control you are looking for if you have:

- UK pension funds that you wish to transfer to New Zealand;
- Large superannuation savings that you want to control closely;
- Specialised investment requirements or preferences, such as unlisted investments or commercial property; and/or
- UK Inheritance Tax exposure that you wish to mitigate with retirement saving using Qualifying Non-UK Pension Schemes (QNUPS).
- Occupational scheme status to allow your employer to participate. This may meet one of the requirements for the occupational scheme exemption from the UK Overseas Transfer Charge.
- New Zealand Foreign Trust status to provide tax-efficiency for the international employee.

i-Select's New Zealand Single Member Schemes are established under Schedule 3 of the Financial Markets Conduct Act 2013 and Financial Markets Conduct Regulations 2014. They are approved and regulated by the New Zealand Financial Markets Authority (FMA), but are 'low touch' in compliance terms, with reduced regulation, making them easier and cheaper to operate.

i-Select's International Single Member Schemes are established as a New Zealand Foreign Trust to provide tax-efficient growth environment for non-resident members. These have potential for particularly tax-efficient benefit withdrawals for those international members who choose to retire in low tax jurisdictions, or those jurisdictions who have a favourable double taxation agreement with New Zealand, such as Australia.



A single member scheme gives you the freedom to invest your retirement savings in the things that matter to you



Scheme Options

i-Select New Zealand Single Member Schemes

This scheme would suit individuals who intend to reside in New Zealand for the medium term (at least 6 years), who have UK pension funds they wish to transfer to New Zealand, and who wish to have a high degree of control over how their retirement funds are invested.

The principal partners in an i-Select New Zealand SMS are: The Member (you), the Trustee (you), the Administrator (i-Select), and your Financial Adviser. Each has a clearly defined role in the scheme, with you in overall control.

The Member

As the Member, you are responsible for taking financial advice on the retirement saving scheme that is right for you. i-Select does not provide that advice – it provides a solution once you have decided to transfer your retirement savings to New Zealand, and it provides the scheme if you decide that a New Zealand i-Select SMS is right for you. You must live in New Zealand to be a member of a New Zealand i-Select SMS.

The Trustee

As the Trustee, you will make all of the key decisions and remain in total control of your superannuation saving. You are responsible for compliance matters relating to your Scheme, but we can guide you throughout, as well as helping you meet your reporting obligations. The scheme Trust Deed sets out the rules of the Scheme.

i-Select

i-Select acts as the Administrator of the scheme, initially arranging for the establishment of the scheme and its compliance with New Zealand and UK laws and regulations and arranging any pension transfers into the scheme (if assistance is required). After that, i-Select stays in the background assisting you with your ongoing compliance. Each year i-Select arranges for the scheme to satisfy its financial and taxation obligations, and on an “as required” basis can deal with any New Zealand or UK reporting matters.

We will provide guidance on the UK rules applicable to permitted investments and the taking of benefits.

Financial Adviser

Your Financial Adviser will act as the scheme’s financial adviser, providing advice on the investment of the scheme’s funds, ensuring that cash is available to meet its expenses, or to pay benefits. They will arrange safe custody of any investments, and they will provide the Administrator with reporting to assist you to satisfy the scheme’s obligations.

i-Select New Zealand Occupational Single Member Schemes

These schemes would suit those members whose employers are happy to be involved in the provision of retirement benefits for their employee.

It may allow a member to claim exemption from the Overseas Transfer Charge under the Occupational Scheme exemption, allowing the member to change their tax status away from New Zealand at a later date without triggering a UK tax charge.

The principal partners in an i-Select New Zealand SMS are: The Member (you), the Trustee (you and i-Select), your Employer, and your Financial Adviser. Each has a clearly defined role in the scheme, with you and i-Select in overall control.

The Member

As the Member, you are responsible for taking financial advice on the retirement saving scheme that is right for you. i-Select does not provide that advice – it provides a solution once you have decided to transfer your retirement savings to New Zealand, and it provides the scheme if you decide that a New Zealand i-Select Occupational SMS is right for you. You must live in New Zealand to establish a New Zealand i-Select Occupational SMS.

The Trustee

As joint Trustees, you and i-Select will make all of the key decisions and remain in total control of your superannuation saving. We will initially arrange for the establishment of the scheme and its compliance with New Zealand and UK laws and regulations and arranging any pension transfers into the scheme. Jointly we are responsible for compliance matters relating to the Scheme and for meeting reporting obligations. The scheme Trust Deed sets out the rules of the Scheme.

Your Employer

Your employer may be involved in a number of ways, either by making contributions itself, or collecting contributions from your earnings and paying them across to the scheme. They may also subsidise the scheme by covering some or all of the costs of administering the scheme.

Financial Adviser

Your Financial Adviser will act as the scheme's financial adviser, providing advice on the investment of the scheme's funds, ensuring that cash is available to meet its expenses, or to pay benefits. They will arrange safe custody of any investments, and they will provide the administrator with reporting to assist you to satisfy the scheme's obligations.

i-Select International Single Member Schemes

These schemes would suit those members whose employment is truly international.

It allows retirement savings to be centralised in a particularly tax-efficient environment of a New Zealand Foreign Trust. Provided the member never becomes tax resident in New Zealand, all foreign income and gains will remain free of New Zealand taxation. Benefits paid to a non-resident of New Zealand will also avoid New Zealand taxation and, depending upon where the individual is tax resident, may avoid tax in their host country either through domestic tax rules, or by the application of a double taxation agreement with New Zealand.

This scheme is not appropriate for individuals who may or intend to become resident in New Zealand, or for those who have UK pension saving that they wish to transfer out of the UK.

The principal partners in an i-Select International SMS are: The Member (you), the Trustee (i-Select), and your Financial Adviser. Each has a clearly defined role in the scheme, with you and i-Select in overall control.

The Member

As the Member, you are responsible for taking financial advice on the retirement saving scheme that is right for you. i-Select does not provide that advice – it provides a solution once you have decided to save through, or transfer your retirement savings to an International SMS, and it provides the scheme if you decide that a New Zealand i-Select International SMS is right for you. You must not be living in, or have any intention of living in, New Zealand to establish an i-Select International SMS.

The Trustee

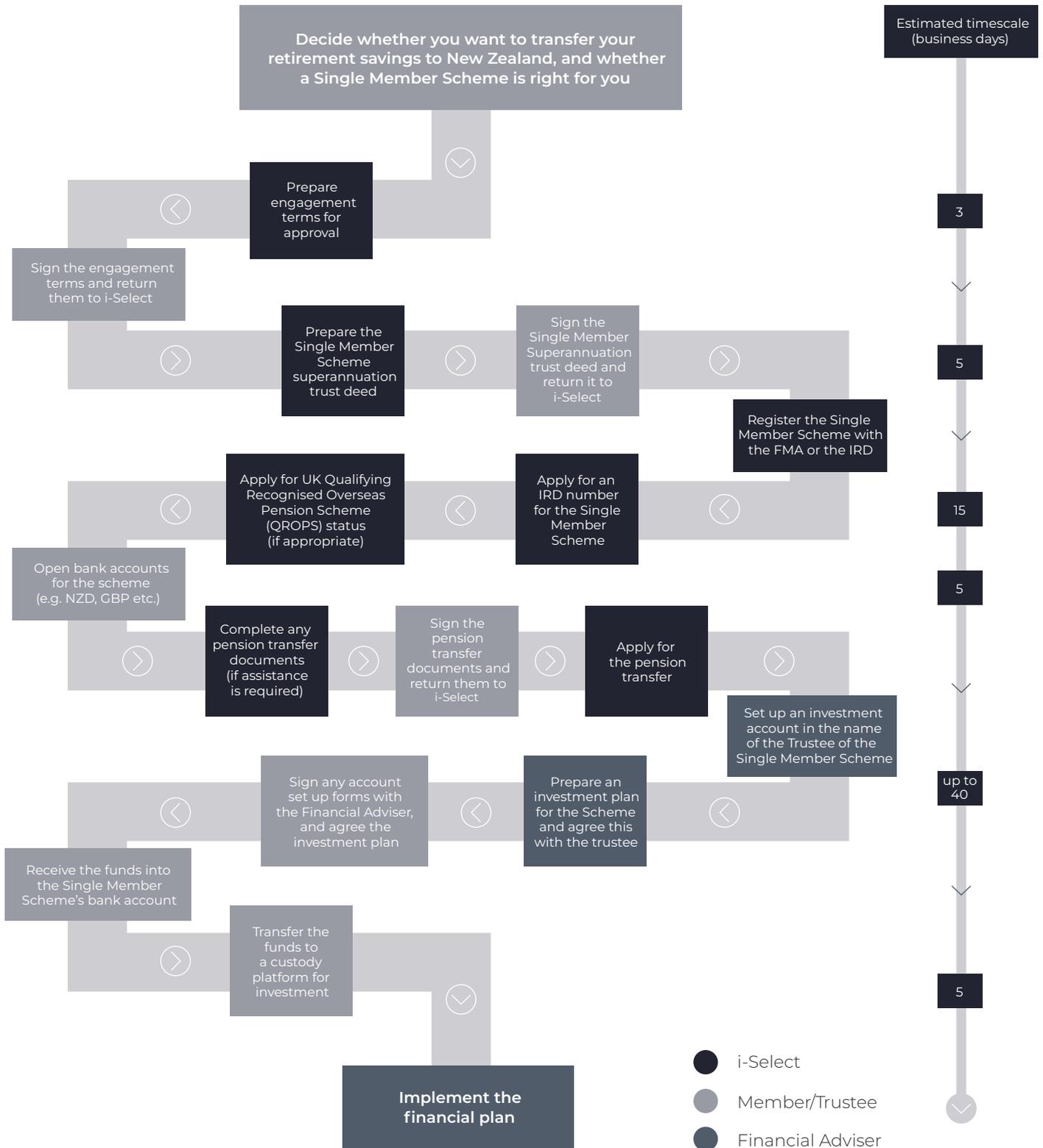
As the Trustee, i-Select will make the key decisions under the guidance and direction of you, the Member, and will remain in control of your retirement saving. We will initially arrange for the establishment of the scheme and its compliance with New Zealand laws and regulations and arranging any non-UK pension transfers into the scheme (if appropriate). We will be responsible for compliance matters relating to the Scheme and for meeting reporting obligations. The scheme Trust Deed sets out the rules of the Scheme.

Financial Adviser

Your Financial Adviser may act as the scheme's financial adviser, providing advice on the investment of the scheme's funds, ensuring that cash is available to meet its expenses, or to pay benefits. At the request of the Trustees, they will arrange safe custody of any investments, and they will provide the Trustee with reporting to assist it in satisfying the scheme's obligations.

The establishment process

i-Select and your financial advisor can help you through every stage of the process in setting up your individual scheme.



Note: In some cases, advice must be sought and received from a UK financial adviser before UK pension funds can be transferred. Your financial adviser will advise you on this.

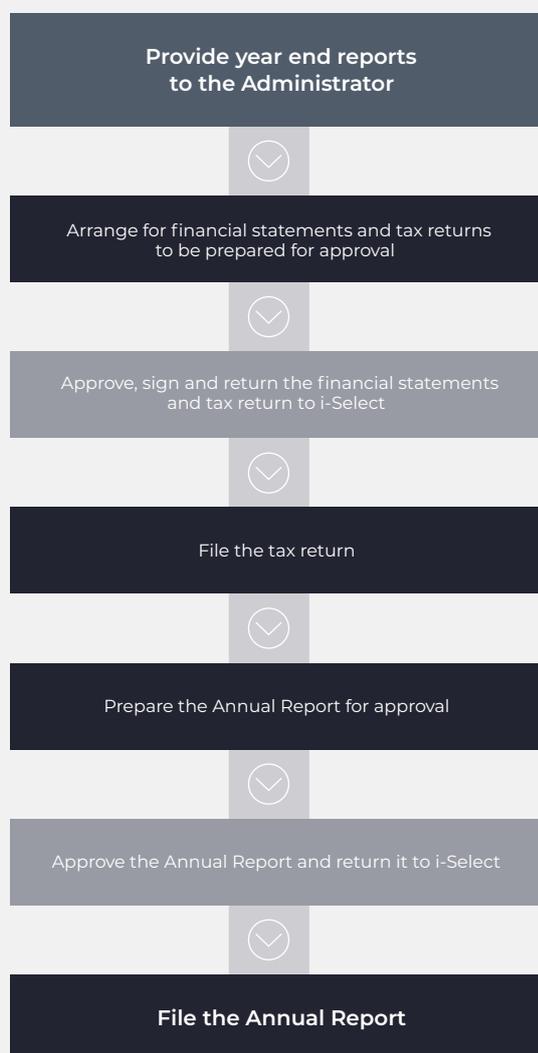
The annual process

Each year the Trustee of the Single Member Scheme will have compliance obligations which must be met.

These include:

- Preparation of financial statements;
- Preparation and filing of a tax return;
- Preparation and filing of a Trustee's Report.

i-Select's role is to help you manage the compliance requirements for your scheme:



- i-Select
- Member/Trustee
- Financial Adviser

Taxation

It is important that you seek taxation advice on the implications of transferring any retirement savings funds to an i-Select SMS. i-Select can facilitate specialist taxation advice – particularly in the UK tax area – if required, through i-Select Tax Ltd. This would be a separate engagement with i-Select Tax Ltd.

The New Zealand SMS and the New Zealand Occupational SMS will be a taxpayer in its own right, and has a basic rate of tax of 33%. If the Trustee invests in Portfolio Investment Entities (commonly known as PIEs), then the rate of tax may be reduced to 28%.

New Zealand registered superannuation schemes are only permitted to use one method of calculating income from foreign equity or insurance-based investments – the Fair Dividend Rate. These rules can be complex, but we can guide you through them.

The New Zealand international SMS will only be liable to New Zealand tax on its New Zealand sourced income. Therefore, if the scheme holds only foreign investments, it may have no tax liability other than withholding taxes on interest and dividends. This is dependent upon the Member of the scheme never becoming tax resident in New Zealand.

QROPS Status

The New Zealand SMS and the New Zealand Occupational SMS may have QROPS status if this is required. This means that the Trustee must abide by all UK QROPS regulations if it is to receive UK pension funds by transfer, and if it wishes to maintain its QROPS status. Maintaining QROPS status may be important as benefits taken under the QROPS regime are more generous than the benefits that may be taken under the New Zealand Superannuation Rules.

The QROPS rules will restrict what investments the Scheme can have. Generally, an i-Select SMS that holds QROPS status must not invest in residential property or chattels/collectibles (such as antiques, wine, stamps etc.), and it must not make loans to members or their associates.

The i-Select International SMS cannot hold QROPS status

as it does not meet all of the requirements of the QROPS regime for registration.

Taking Benefits

The rules for calculating benefits will depend on the origin of the funds and the type of SMS scheme.

UK Funds within a New Zealand SMS

Within an i-Select SMS or an i-Select Occupational SMS, funds that are subject to the United Kingdom QROPS rules may only be paid in the following circumstances:

- Where the member has attained the age of 55 years the member may take up to 100% of their fund
- Where the member has life expectancy of less than one year and this has been confirmed by a registered medical practitioner, a member can take up to 100% of their fund
- Upon the death of the member 100% of the fund will be paid to their estate.

You should note that QROPS rules change from time to time, so advice should be sought at the time benefits are taken.

Non-UK funds within a New Zealand SMS

Within an i-Select SMS or an i-Select Occupational SMS, funds that are subject to the New Zealand Superannuation Scheme rules may only be paid in the following circumstances:

- Where the member has attained the age of 55 years the member may take a percentage (approximately 10%) of the funds each year until 65
- From 65 (60 if retired) the member may take up to 100% of their funds
- Where the member has a serious illness that means they cannot work or are at risk of death, up to 100% of the fund may be paid to the member
- A court orders the release of your funds
- Where the member suffers significant financial hardship, an amount necessary to relieve the hardship may be paid
- Upon the death of the member 100% of the fund will be paid to their estate.

Funds within an International SMS

Within an i-Select international SMS, benefits may be paid in the following circumstances:

- Where the member has attained the age of 55 years the member may take up to 100% of their fund
- Where the member has life expectancy of less than one year and this has been confirmed by a registered medical practitioner, a member can take up to 100% of their fund
- Upon the death of the member 100% of the fund will be paid to their estate.

In exceptional circumstances, the benefit rules of an International SMS may be changed with the permission of the trustee.

The Costs

Establishment Fee

The cost of establishing an i-Select SMS or an i-Select Occupational SMS is \$10,000 (plus GST, if any), plus any disbursements, such as FMA registration fees.

The cost of establishing an i-Select International SMS is 1.5% of contributions, or \$15,000, whichever is the greater (plus GST, if any), plus any disbursements, such as IRD registration fees.

You should also note carefully that the establishment fee is chargeable as soon as we send you the SMS superannuation trust deed. It is payable regardless of whether the scheme is registered, and regardless of whether or not any UK or other pension transfer proceeds have been received. The fee may be paid out of the transfer proceeds once they are received (there is a 2 month maximum wait before i-Select will charge interest on overdue fees). If you decide you do not wish to register the SMS or do not wish to transfer any UK pension funds, you agree that the establishment fee will be payable personally by you.

Administration Fee

The cost of administering an i-Select SMS or an i-Select Occupational SMS is \$5,000 per annum (plus GST, if any). This fee includes the cost of having financial statements, tax returns and annual reports prepared, but does not include disbursements, such as FMA filing fees. The administration fee principally covers year-end compliance, and so will be payable on completion of the annual compliance matters for the previous year to 31 March. The first administration fee may therefore be payable within the first 12 months, depending upon when the SMS was established. You will be appointing i-Select as the administrator for a minimum period of two years.

The cost of administering an i-Select SMS is 0.75% of contributions or \$7,500 per annum, whichever is the greater (plus GST, if any). This fee includes the cost of having financial statements, tax returns and annual reports prepared, but does not include disbursements, such as IRD filing fees. This fee is payable by monthly instalments and is subject to a minimum monthly payment of \$625.

i-Select reserves the right to charge interest on overdue fees, and i-Select's fees will be subject to review after the expiry of two years. Although fees are said to be 'plus GST, if any', it is our understanding that the fees charged for the New Zealand SMS are exempt from New Zealand GST.

Financial Adviser Fees

Your Financial Adviser will agree their fees with you in advance, and this will be included in their standard terms and conditions and application forms. Fees payable to your adviser are separate to your arrangement with i-Select.

Where to from here?

Once you have received advice on whether or not to save for your retirement through an i-Select SMS, whether to transfer your retirement savings to the i-Select SMS and the implications of such a transfer, and the type of Scheme appropriate for you, if you decide that an i-Select SMS is right for you, then please complete the attached form and return it to us. We will then start the establishment process outlined above. This will include providing you with further terms and conditions of engagement.

Queries?

If you have any queries regarding the i-Select SMS, please feel free to send them through to: info@i-select.co.nz or call 03 308 0144 and speak to a member of the i-Select SMS team.



Talk to us today

For help planning your future or to learn more about the benefits of an i-Select Single Member Scheme please contact your financial adviser. To understand the tax implications of transferring your retirement savings to i-Select, you can talk to our specialist i-Select Taxation team.



Personal Details

Title

Mr
 Mrs
 Ms
 Miss
 Dr
 Please select/tick

First Name

Middle Name(s)

Surname

Date of Birth

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Daytime Telephone

Mobile Telephone

Email Address

IRD number and UK NINO and/or UTR

SMS (Single Member Scheme) type:

Please tick the scheme you're interested in:

New Zealand SMS
 New Zealand SMS with QROPS status
 International SMS
 New Zealand Occupational SMS
 New Zealand Occupational SMS with QROPS status

Funds transfer:

Details of pension funds to transfer

Please provide the following:

Proof of identification:

OPTION 1.

- Photo page of New Zealand or overseas passport, **OR**
- New Zealand firearms licence, **OR**
- New Zealand certificate of identity

OPTION 2.

- New Zealand driver's licence **AND**
 - New Zealand or overseas birth certificate, **OR**
 - 18+ card, **OR**
 - Credit or debit card issued by a registered bank, provided your name and signature is on the card, **OR**
 - Bank statement less than 12 months old, **OR**
 - Letter or statement issued by a government agency e.g. IRD

Proof of residential address:

Any one of the following issued in the 12 months immediately preceding the date of application, showing your current residential address.

- Utility bill, **OR**
- Letter or statement from a registered bank, **OR**
- Letter or statement issued by a government agency e.g. IRD, **OR**
- Rates invoice, **OR**
- Car registration document, **OR**
- Insurance policy document

Under the Anti-Money Laundering and Countering of Terrorism Act 2009 we are required to confirm your identity and residential address.

🏠 Level 1, 161 Burnett Street,
PO Box 274, Ashburton 7740
New Zealand

📞 +64 3 308 0144

✉ info@i-select.co.nz

🌐 i-select.co.nz

