

WHAT IS A LIFETIME OCCUPATIONAL PENSION SCHEME?

The Lifetime Occupational Pension Scheme is a long-term savings scheme setup by your employer. It is 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.

WHO CAN HAVE ONE?

The Lifetime Occupational Pension Scheme is available to anyone who is tax resident in Malta aged between 18 and 65.

HOW OFTEN DO I NEED TO CONTRIBUTE?

You can contribute on a regular basis this being, monthly, quarterly, semi-annually or annually as well as having the option to make additional one-off top ups anytime you have some surplus income you wish to contribute to the scheme. You also have the option to automatically increase your contributions in line with the maximum allowance eligible for tax credits every year.

CAN I STOP MY CONTRIBUTIONS?

You can stop your contributions anytime you wish and your pension will continue to be invested.

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 65.

WHAT HAPPENS IF I LEAVE MY EMPLOYER?

You can ask your employer for the pension to be transferred into your own name, and then moved into our private pension scheme. Alternatively, if your new employer agrees to continue to contribute towards your pension, you can move the pension from your previous employer's pot into our generic pension pot within the Lifetime occupational scheme.

CAN I HAVE MORE THAN ONE SCHEME?

Yes, you can have more than one scheme however; you will only receive tax credits on the maximum contribution available by law. This includes both private and occupational schemes.

HOW DO THE CONTRIBUTIONS PAID BY MY EMPLOYER WORK?

The contributions paid by your employer go into a pension pot reserved for you, which are added to any contributions you make towards the scheme yourself. Your contributions are paid directly via your hr/payroll department.

WHAT HAPPENS IF I LEAVE MALTA?

Occupational pensions are portable within the European Union; this means that you can choose to transfer your existing pension to a provider in another EU jurisdiction when you decide to emigrate.

For countries outside the European Union, there is no option to transfer your pension and therefore, your pension would be transferred to the Lifetime Private Pension Scheme where it would remain until your selected retirement age.

Upon retirement, your pension income will be paid from Malta. If the country you are residing in has a suitable DTA (Double Tax Agreement) with Malta your pension income will be paid tax free in Malta, and you would pay tax on the income in your country of tax residence. Malta now holds double tax treaties with almost 70 different countries.

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 lump sum, and use the remaining funds to provide yourself with an income for life (based on average life expectancies at the time). The value of your pension 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.

WHEN CAN I START DRAWING MY PENSION?

Under current legislation you can commence retirement between the age of 50 and no later than 75.

HOW WILL MY PENSION BE PAID?

Monthly, quarterly or annual 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. This 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 INTO 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 €3,000 per annum on top of your employer's contribution. The minimum personal contributions eligible for tax relief are as follows in 2021:

Payment Frequency	Minimum	Maximum (to take advantage of full tax benefit)
Monthly	€40	€250
Quarterly	€120	€750
Semi-Annual	€240	€1,500
Annual	€480	€3,000

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

HOW AND WHERE ARE MY CONTRIBUTIONS 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.

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.

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.

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

We will provide you with an annual statement.

WHAT HAPPENS IF I NEED MY MONEY EARLY?

The Lifetime Occupational 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.

CAN I TRANSFER MY PENSION TO ANOTHER PROVIDER?

Yes, you can transfer your pension pot into schemes of other providers. This is subject to the other scheme being a registered and qualified scheme. A transfer charge of €100 will apply if you transfer your scheme in the first 10 years.

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

If you die before you retire, the value of your pension will be passed onto your beneficiary.

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

One main advantage of choosing Lifetime Pensions 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 CC Finance Group. You can rest assured that your pension is being

managed by an experienced investment manager with over 40 years' experience. Today the CC Finance Group administers over €1.9 Billion of assets for over 20,000 active savers. Calamatta Cuschieri Investment Management Ltd 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.

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 scheme 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 Occupational 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 deciding 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.