

Introducing AMVEST

In response to the large number of UK citizens who have settled permanently overseas for their retirement, for over 10 years now Her Majesties Revenue and Customs (HMRC) have had rules in place relating to how those citizens could better access their UK pension funds by transferring them to a pension plan in the country of their residence or another domain of their choice which met certain HMRC guidelines and designated as a Recognised Overseas Pension Scheme (ROPS).

This has facilitated the transfer of millions of pounds in UK pension funds overseas particularly to British people living permanently in countries such as Australia, New Zealand, Canada, South Africa and many others, giving them convenient cost and tax efficient access to their UK pension benefits.

British citizens living in countries that have no pension infrastructure have also been able to benefit from this system by using offshore ROPS contracts based, for example, in the Channel Islands, The Isle of Man or Malta. However, in the United States of America, the Internal Revenue Service (IRS) has always refused to allow incoming pension transfers. For British people permanently resident in the United States, this inability to transfer their UK pension fund had become a growing frustration.

Up until April 2017 there was the option that British people had of using an offshore jurisdiction such as the three mentioned above, but this has now been ruled out by HMRC and there is now no ROPS approved option available for Britons living in the United States.

Fortunately the team at *Alexander Beard Global Services* has worked long and hard to address this problem and we believe our *AMVE\$T* product is now is the ultimate pension solution for UK Expatriates living in the United States of America.

How YOU will benefit from AMVEST

- Your pension remains under UK rules.
- Your pension funds may be invested in US Dollars, GB Pounds or Euros.
- You have access to investment advice from a USA based Registered Investment Adviser.
- Your investment is managed by a range of leading British and American fund managers.
- Low annual management charges.
- \blacksquare You have access to your account online 24/7.
- You can take 25% of your fund as tax-free cash from age 55*.
- Your benefits are paid in US\$'s from age 55.
- You have a range of income in retirement options, including US Dollar annuity purchase, income drawdown or 'flexi' access and all of these options can be paid in US Dollars to guard against future currency fluctuation.

Frequently Asked Questions

When considering the launch of this product we had a number of considerations:

■ What are the alternatives?

The only alternatives are to either remain in your present UK arrangement, or choose an offshore 'USA friendly' ROPS product in the Channel Islands, Isle of Man or Malta, however, the latter may include significant risks and costs as discussed below.

■ Would it be better for me to remain in a UK pension in case an American ROPS product becomes available in the future?

AMVEST remains under UK rules, so should ROPS transfers to the USA (such as an IRA or 401(k)) become available at any point in the future, you will still be able to transfer.

■ Would a 401(k) or an IRA offer better benefits?

We believe that the tax-free cash lump sum and income paid under a UK SIPP are as good as the potential benefits of an IRA or a 401(k), so a ROPS transfer to these products may not be in your interests, even when they do become available.

^{*} It is our understanding that the UK/USA tax treaty specifically protects the tax-free nature of pension cash lump sums. However, we cannot guarantee that individual IRS officers will agree with this interpretation.

■ Why is an offshore "US friendly" ROPS product in the Channel Islands, Isle of Man or Malta no longer a viable alternative?

Changes resulting from the April 2017 UK Budget effectively removed the possibility of transferring your UK pension to a jurisdiction other than that in which you were resident, unless both the ROPS product and your residence at transfer was in the European Union. This was achieved by imposing a 25% tax charge on the value of the fund upon exit. Whilst it is still technically and legally possible few clients would be willing to pay this heavy costs.

■ Where will my adviser be based?

Alexander Beard Group have a fully authorised and regulated US based investment advisory business staffed by both British and American qualified advisers.



Charges

Incremental Creation Charges:

Initial Investment: £0 - £100,000 3%

£100,001 to £250,000 2% £250,001 and above 1%

The above charges apply to all 3 service levels offered but ongoing charges apply only to the Premium and Optimum service.

Example	Investment of	£150,000
	£100,000 @ 3% £50,000 @ 2%	£3,000 £1,000
	Total initial fee	£4,000

- No SIPP set up fee but an annual charge of £570
- Annual adviser, investment platform and fund management charges not exceeding 1.53% per annum

■ The above charges include:

- •Collating all information on existing UK pensions
- •Providing personal investment risk analysis
- •Recommending the most suitable investment profile for the future.
- •Administering and managing the transfer and consolidation of existing funds
 •Initial and 1st year Trustee fees

■ Annual charges:

- •Adviser and fund management charge totalling 1.53%
- •From end Year 1 onwards for sums of £50,000 to £100,000 an annual Trustee fee of £350; rising to a maximum of £540
- •£150 one off fee to begin 'income drawdown' facility
- •£175 per annum income drawdown charge when taking income.

■ Benefits payable:

- •25% of value of fund as a tax free lump sum
- •Under rules introduced in 2014 Budget as AMVE\$T remains under U.K. rules you can then take any ad-hoc amounts every year which will subject to either U.K. or U.S.A. income tax.

^{*}minimum transfer value for access to AMVEST is £100.000

Plan Partners

- ABG (USA) LLC in the USA | www.abg-usa.net
- SIPPCHOICE LIMITED* in the UK | www.sippchoice.co.uk

Contact Us

For further information on AMVE\$T and our other services aimed at British expats in the USA, please contact either: Mark James; or Scott Schwartz on:

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*AMVEST is the product name for a Sippchoice Limited self-invested personal pension plan, approved by H.M.R.C.

Sippchoice Limited are authorised and regulated by the Financial Conduct Authority in the United Kingdom.

For more information about Alexander Beard (USA) LLC and other members of the Alexander Beard family worldwide please visit www.abg.net.

As part of the AMVE\$T pension solution, we can facilitate the transfer of Great British Pounds to US Dollars within the pension scheme at a time of your choosing. We use Investec Private Bank who offer excellent rates of exchange. Before the currency switch is made, we will notify you of what rate of exchange can be achieved through Investec and should this be satisfactory we can authorise the trade. In common with all FX providers Investec remunerate introducing firms for this service by paying us 20% of the profit they make on the trade. This remuneration does not reduce the rate of exchange you receive on your funds. You are of course at liberty to nominate another firm or bank to undertake this transaction. Should you have any questions about this, please don't hesitate to get contact your Alexander Beard USA adviser.

