



# **GUIDANCE NOTES**

## **OVERSEAS PRESCRIBED RETIREMENT PRODUCT TRANSFERS**

**31 May, 2010**

The following ***guidelines*** are applicable to Bermudians and husbands & wives of Bermudians that are members of a pension plan that is governed by the National Pension Scheme (Occupational Pensions) Act 1998, who are wishing to transfer their pension fund to a retirement plan outside of Bermuda.

### **General Consideration**

All Overseas Prescribed Retirement Product transfer requests that are received by the Pension Commission will be reviewed on a case-by-case basis.

### **Member's responsibilities**

A member of a pension plan seeking to transfer their pension fund to an Overseas Prescribed Retirement Product is required to present their local plan administrator with a copy of the plan rules and related contractual documents of the Overseas Prescribed Retirement Product to which they wish to transfer their funds to.

This Overseas Prescribed Retirement Product should have similar requirements as the National Pension Scheme (Occupational Pensions) Act 1998, such as:

1. ***The funds will continue to be locked-in.***
2. ***The funds will be creditor protected.***
3. ***There will be no borrowing permitted.***
4. ***There are no lump sum payments beyond 25% at retirement age of 65 years and older.***
5. ***The retirement product has to have a normal retirement age (65) or early retirement age (55).***

### **Administrator's responsibilities**

The Administrator will have the member of the pension plan, who is seeking to transfer the funds to an Overseas Prescribed Retirement Product, fill out the required Overseas Prescribed Retirement Product Request Form. The Overseas Prescribed Retirement Product Request Form along with the Overseas Prescribed Retirement Product plan rules, any other documentation and application should then be submitted to the Pension Commission for approval.

Before submitting the application, the Administrator should be reasonably satisfied that the Overseas Prescribed Retirement Product satisfies the similar requirements identified above.

**Please note that these guidelines are subject to change at short notice.**