



Communicate.

Offshore Employer Financed Retirement Benefit Scheme (“EFRBS”)

Following ‘A’ day on 6 April 2006, UK based higher rate taxpayers could arrange for a significant part of their remuneration to be paid to them by way of contribution to an EFRBS.

Following careful planning and provided contributions represent a commercial provision of retirement benefits, advantages of EFRBS may include:-

- Employers saving National Insurance Contributions (“NICs”) at the current prevailing rate of 12.8% on any contributions to the EFRBS and Employees saving Class 1 NICs at the current prevailing rate of 11% plus 1%
- funds held within an EFRBS being free of UK Inheritance Tax
- the possibility for the Employees (or their dependents) to avoid tax attributable to capital gains realised by the EFRBS (or its subsidiary)
- flexible investment choices
- significant flexibility to the Employer in relation to the way in which Employees may participate in such a scheme

The EFRBS, is effectively a ‘gross roll up’ vehicle allowing the accumulation and investment of significant funds in a tax neutral and efficient manner. It is a flexible option often supplemented by existing Registered Pension Schemes or Employee Benefit Trusts and is not subject to the same investment restrictions which apply to Registered Pension Schemes.

EFRBS are formed using a trust instrument and, to achieve optimum tax advantages and flexibility, these trusts are normally set up in a tax neutral jurisdiction with a professional infrastructure, such as Jersey.

How can Jersey Trust Company assist?

JTC can offer the following services to an EFRBS arrangement:-

- provision of an offshore trustee
- provision of an EFRBS trust instrument that can be tailored to the Employers’ needs
- administration services relating to the EFRBS including matters regarding contributions and payments and the preparation of financial statements
- introducing Employers to professional advisors who can assist on the creation of an EFRBS or who can provide independent investment or financial advice

About Jersey Trust Company

Jersey Trust Company is one of Jersey's leading independent providers of private wealth, corporate and fund administration services.

Our head office is located in Jersey's financial district in St Helier and through our continued international expansion we have opened offices in jurisdictions such as Switzerland, the British Virgin Islands and the United Kingdom. We have experience in administering and managing complex structures for a wide variety of clients, with a particular emphasis on those who generate wealth as "Owner & Manager".

Risk Factors

The future value of any pension arrangements will largely depend upon the investment performance on your fund. Your investments and the income derived from them can fall as well as rise and are not normally guaranteed. Benefits can be affected by the level of any withdrawals and the charges levied.

Should you wish to discuss the contents of this briefing note in further detail please contact:-

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