



look **forward**
to the future

start planning for the retirement you want
with help from Skandia International

the **best** time to prepare for the future is now

The world is changing, and one of the areas where change is most evident is the way we think of retirement. Conventional ideas of retirement are now an outdated concept, as each of us has a completely different view of what it will mean to us.

Instead of retiring at 60, nowadays you probably know 70 year olds who are fit and living life to the full, and even some who still enjoy working.

We recognise that everyone has a different idea of how life in later years should be – you may not even be planning to ‘retire’ as such. The important thing is to give yourself the flexibility of plenty of choice, and Skandia International can help you create that flexibility.

facing facts

How many times have you heard that you need to plan for your retirement? In the current

economic climate, even if you are a member of a company pension scheme, it’s unlikely to be a final salary scheme, so it’s essential to supplement it with personal arrangements of your own.

However, if you’re living and working abroad, you may be finding it complicated and inconvenient to set up suitable plans. You may not be comfortable with local arrangements – or perhaps you’ve discovered that you can’t actually pay into a UK pension fund, or that you’re unable to get tax relief on your contributions while you’re working away. These may all seem like good reasons to defer thoughts of retirement and pensions, or any other form of saving for future goals.

It may be a cliché to say that the sooner you start putting money away for your retirement the better, but it still makes sense – and, with expert help, you might be able to take advantage of local legislation and tax breaks while you’re about it.

every year makes a difference

As you will appreciate, every year you save for your retirement can dramatically increase the amount you’ll have to live on when you stop work. Naturally you will have your own ideas about how you want to spend your retirement, and the money you need to support your lifestyle will depend on your aspirations. But let’s suppose you’d like to amass a total, or even additional, retirement fund of \$300,000*. Used to buy an annuity, this would currently only give you an annual income of around \$17,352*. And of course, it will be worth less by the time you retire, due to the effects of inflation.

**Source: Moneymadeclear™ from the UK’s Consumer Financial Education Body, established by the Financial Services Authority. Figures based on single male aged 60, non-smoker, level income (3 September 2010).*

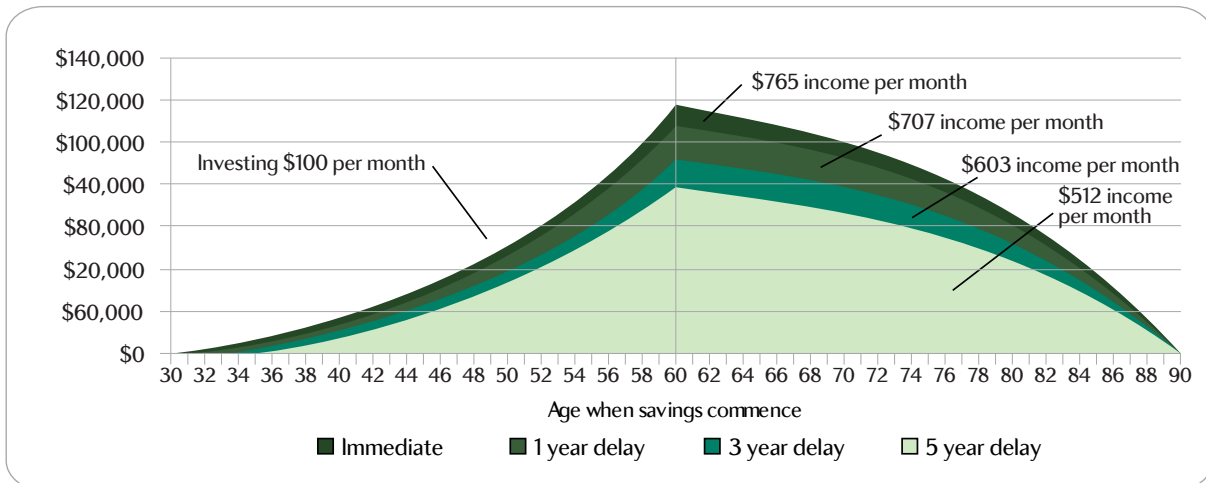


vital statistics

Let's say you want to retire at 60. If so, this is how much you'd need to save each month to reach the target of \$300,000 if your fund achieved a growth rate of 7%:

Start saving at age	Monthly amount needed to achieve \$300,000	Number of years
35	\$381	25
40	\$588	20
45	\$959	15
50	\$1,744	10

the cost of delay



Using a monthly contribution of \$100, the chart above visually demonstrates the impact starting to save early has on the fund you will have built up at age 60. It also shows how upon reaching age 60, leaving the fund invested whilst drawing an income means the money has the potential to continue growing and

ultimately leads to greater income over the next, in this example, 30 years.

Saving \$100 per month from age 30 means a total of \$36,000 has been invested which by age 60 is worth \$117,606. Drawing equal monthly amounts of \$765 would exhaust the

fund over the next 30 years but mean a total income of \$275,590 – or each \$100 invested returned \$765 of income. Delaying investment by just one year would reduce the total income to \$254,835, or \$707 per month.

case study: Jack and Julia

Jack and Julia are property agents based in Dubai. Julia started saving in a Royal Skandia Managed Capital Account at the age of 25, paying in a manageable amount each month, which she increased as her salary and commission rose over the years, as well as adding a few lump sums. At the age of 45 she is now paying \$750 a month and expects to retire at the age of 55 with a retirement 'pot' of \$350,000.

Jack, also 45, is only just beginning to think about retirement. If he starts saving now and his investment achieves an average growth rate of 7%, he will have to pay in over \$2,000 a month to retire with the same amount as Julia at age 55, or keep working until he is 65 and pay \$685 per month. He also selects a Managed Capital Account, as he likes the flexibility it provides in that there is no set term. He can start to withdraw money as and when he wants whilst the majority of his money remains invested, hopefully growing and providing further income for when he needs it.

Please note: this case study is fictional and used purely to illustrate possible real-life scenarios.



Remember, your retirement fund may grow at less than 7% and the value of your investment may go down as well as up. This example does not include product charges or take into account any external fund management charges. The figures are for illustration purposes only and are not guaranteed.

deciding what's most important to you

There are many practical aspects to think about before choosing the right arrangements for your future.

Will you have any family or elderly relatives dependent on you? Will you stop working entirely or continue part time? Will you have paid off your mortgage? Will you stay in the country where you're living now, or move somewhere else? You can probably think of many more questions to answer before deciding how much income you'll need and when your 'retirement' will begin.

Then your next step is to consider all the possible ways to make your money and investments work hard and minimise your own and your family's future tax liability.

think beyond the obvious

Retirement planning is so much more than just paying into a pension while you're working and drawing it back later. There are plenty of other ways to invest your money to ensure you have flexible opportunities in the future.

That's why it's so important to work with expert advisers, who will help you create a diverse portfolio of retirement planning solutions. These will not only help you build a fund but also give you the desired flexibility when it comes to withdrawing money. You can also include ways to reduce your family's liability to UK Inheritance Tax (IHT) as well as trusts to protect your savings.



case study: Sophia and Mark

Sophia and Mark currently live in Hong Kong and intend to stay there for the next five years. After that they would like to move back to Sophia's home, Italy, where they already have three rental cottages.

Mark works for a global legal firm and whilst working in the UK he and his employer contributed to a UK pension arrangement. Mark also paid in ad hoc lump sums when he could. His UK pension fund is worth £250,000. Mark is keen to ensure that he will be able to access his retirement fund in local currency, minimise any UK tax liabilities and diversify his investment portfolio. His financial adviser has recommended transferring his UK pension fund to a Qualifying Recognised Overseas Pension Scheme (QROPS) based in Guernsey.

case study: Amir and Saira

Amir, a company director, and Saira, a doctor, are based in Kuala Lumpur. Although building a small investment portfolio, they have no specific retirement provisions at present and realise that they should start a structured method of saving for their retirement. They may return to the UK and would like a retirement scheme which is broadly comparable to UK arrangements.

Amir is UK domiciled and Saira is non-UK domiciled but is concerned that if they come to the UK she may become subject to UK inheritance tax.

Their adviser recommends they each apply for an individual Recognised Overseas Pension Scheme (ROPS), a scheme that meets the minimum UK pension requirements such as retirement age and access to lump sums. This also has the benefit of alleviating any UK IHT liability which may have fallen due on their estates in the future. Amir and Saira understand that they will not be able to access the money until retirement but feel that this is a good disciplined approach and will actively help them take control of their retirement planning. They intend to contribute to the ROPS with both regular and lump sum contributions as and when their income allows.

case study: Philip

Philip is self employed and travels the world working for large companies as an independent IT consultant. His earning power varies depending on the country and project he is working on. At present Philip does not have a partner, although he would like to settle down and start a family at some point in the future.

He is concerned about saving for his retirement but does not want to tie his money in to a formal pension arrangement, preferring the flexibility of being able to access lump sums at a future date. His financial adviser has recommended an Isle of Man offshore investment product, which allows him to pay both single and regular premiums. It's written in a discretionary trust as this will ensure flexibility if Philip's personal circumstances do change in the future and will also help to protect the assets he is building up.

Please note: these case studies are fictional and used purely to illustrate possible real-life scenarios.



Past performance is not necessarily a guide to future performance, and the value of unit-linked contracts is not guaranteed as the prices of units may fall as well as rise.

live your dream

with expert help from the international retirement planning specialists

So you're ready to start planning for your retirement – and Skandia International is here to help. Your financial adviser will take the time to understand your vision of the future and how you would like to achieve it. Your adviser can then tailor a retirement solution to build an individual offering for you with flexible options, giving you freedom to live life as you choose and achieve the balance you want.

We provide a range of tools which will assist your adviser in recommending the right investments, retirement solution and jurisdiction (the country or state that administers and sets the rules for an investment or retirement scheme) to make your vision a reality.

why choose Skandia International?

Because we're the acknowledged experts at helping advisers to deliver retirement and investment solutions if you decide to live

abroad in later years. We will provide support to your adviser who will help you choose and set up arrangements to provide the income you need, working with local tax and UK IHT laws, and protect your capital and your family's inheritance.

We will be able to offer you an extensive range of international investment opportunities, giving you plenty of choice, no matter where you're living now or intending to retire. And our global buying power means we can often negotiate better interest rates or significant savings on initial charges for you.

look forward to the future with confidence

Using Skandia International's knowledge and resources, you and your adviser can create retirement plans to ensure that:

- your financial arrangements are tailored to support your personal vision of the future
- you make the most of the tax rules in your home country, the place where you're currently working and the area where you're intending to retire
- your family will minimise the amount of UK IHT they pay

- you can choose to carry on working and saving as long as you wish, leaving your money invested and growing in a way that suits your post-retirement needs
- your arrangements are flexible enough to change if your needs or circumstances alter
- your investments and retirement solutions are portable, so you can carry them from country to country around the world if you wish.

With our wisdom and experience to call on, you can plan for a happy, fulfilling retirement, as adventurous or serene as you want, knowing your finances are in good hands and your family's future is secure.

take the next step to a prosperous retirement now

Talk to your adviser about planning for your retirement with Skandia International. We will then work with your adviser to provide the best options for you.

The sooner you start planning, the more likely you are to be able to enjoy life in retirement on your terms.



Skandia International is the offshore and cross-border provider of investment solutions for the Skandia and Old Mutual Groups.

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www.skandia.ie

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