

# Short Term Annuity - Key Features

## The company

Praxis PES Guernsey PCC Limited (“Praxis PES Guernsey”) is regulated by the Guernsey Financial Services Commission and is licensed as a fiduciary services company under the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2020 (the “Law”) and is part of the Praxis Group.

Praxis PES Guernsey is a Protected Cell Company registered in Guernsey. It is a specialist company offering a range of flexible pension and annuity contracts.

## At a glance

The Short Term Annuity (“STA”) is only available to be purchased as a decumulation solution from a non-UK pension scheme for a term of 3 to 10 years. It is not an insurance product although the annuity payments are guaranteed.

The STA offers the following benefits and features:

- > Assets are held in a segregated cell
- > Clear and simple fee structure
- > Actuarially calculated contract payments
- > Ability to structure the annuity for your preferred term and payments can be made in your preferred currency

## Who can purchase a Praxis annuity?

Praxis annuities are available to non-UK pension schemes and cannot be purchased directly by individuals. We can assist with the establishment of a non-UK pension scheme where required.

## In this summary:

**Contract** means the STA contract purchased.

**Contract Holder** refers to the annuitant entitled to payments under the Contract.

This document provides a summary only. In the event of any discrepancy, the provisions of the Contract and our Terms and Conditions are overriding.

## Summary of benefits payable

The STA makes payments to the Contract Holder at a rate calculated by Praxis PES Guernsey’s appointed actuary in line with the requested term.

In summary, the calculation is designed to permit payments throughout the term of the Contract taking into consideration any accumulated returns and all associated fees. The payments must be paid in equal amounts across the chosen term.

It is important to note that once the term of the STA is agreed, this cannot be changed under any circumstances.

The annuity payments are paid on an annual basis. The taxation of the payments will vary depending on the country of residence of the Contract Holder but is paid without any withholding tax unless the Contract Holder is resident in Guernsey or the annuity derives from Guernsey tax-relieved pension funds. Praxis highly recommends that applicants seek tax advice.

Should the Contract Holder die during the term of the Contract, the payments will be made as per the pre-agreed terms to the noted beneficiary.

It is not possible to close or ‘cash in’ the annuity at any time.

## Investments

The assets held for the purposes of the Contract will be invested at Praxis' discretion and usually placed on fixed deposit or money market investment funds with a regulated financial institution or held in cash. This is described in the Guernsey pension rules as licensee directed.

## Segregation of assets

When a new annuity arrangement is established, Praxis PES Guernsey will issue a contract which governs the annuity, the Contract Holder's rights to benefits and Praxis' obligations. All assets held for the purposes of the Contract are designated by Praxis to an individual cell that relates solely to that Contract, therefore providing 100% segregation of assets.

The particular cell's assets will initially comprise of the funds used to purchase the Contract, less any expenses.

Thereafter, the assets will comprise a cash account and the net asset value of any underlying term deposit, less any fees.

## Charges

All agreed charges are deducted from the cell assets, but Praxis PES Guernsey reserves the right to bill the Contract Holder directly where appropriate. A full statement of costs and charges incurred is included in the annual asset statement.

## Taxation

Any income or gains arising in the Cell, and any benefit payments made to the Contract Holder, will generally not be subject to Guernsey tax for non-Guernsey resident Contract Holders.

The taxation of payments received by the Contract Holder will depend on their country of residence upon receipt, and specific advice should be taken on the taxation implications of the jurisdiction in which the Contract Holder is resident.

## Governing law

Each Contract is governed and constructed in accordance with the laws of Guernsey.

## More information

Please contact [PES.Guernsey@praxisgroup.com](mailto:PES.Guernsey@praxisgroup.com) for further information.

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