



# The International Deferred Benefit Plan



When it comes to leaving employment and retirement, an international retirement savings plan's flexibility generally stops, with a significant number of employers requiring members to take their accrued benefits as a lump sum as soon as they leave employment.

In some cases taking a lump sum is the right thing to do, but in many others there are disadvantages for the member, including:

- potential significant tax charges depending on country of residence
- what to do with their accrued benefits in the short term while they decide on a long-term product
- very low bank interest rates if bank investments used in the short term
- a necessity to incur adviser fees in order to find an alternative investment product
- potentially higher charges for a personal investment plan of their own on the retail market
- potentially higher charges on transferring to a personal investment product.

And there are further potential problems at retirement age, such as:

- trying to source a suitable annuity or income-producing product
- increasing longevity meaning that a lump sum is likely to be eroded quickly.

If your International Pension Plan rules dictate that a complete withdrawal of accrued benefits is the only option available to employees when they leave or you no longer want to manage deferred members within your plan, you may wish to consider offering another choice, the International Deferred Benefit Plan (the Plan).



## Introducing the Plan

By transferring their existing Retirement Account value into the Plan members can, taking into consideration their residency, and local tax rules, take their money at a time that suits them. This can offer an attractive alternative to personal investment products and bank deposits.

No further contributions are allowed into the Plan – it is designed to accept transfer payments only.

Through the Plan members can:

- continue to access institutionally priced funds
- access a range of low-cost, risk-rated diversified investment portfolios
- access an attitude-to-risk questionnaire
- benefit from competitively priced, transparent product charges
- use the regular withdrawal facility to provide complete flexibility over the amount of income they take with the option to take either regular amounts or one-off lump sums
- continue to manage their investment through Zurich International online and the ZIO Members App.

In summary, the Plan is a low-cost, flexible solution for members that is difficult to replicate through a personal investment product of their own.

Furthermore, there is no cost to you as an employer, with no additional administration, provided your plan rules already allow transfers to be made.

**To find out more about offering this new solution to employees leaving your business, please [contact us](#).**



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