

International Savings Plans (ISPs)

International Savings Plans are an innovative savings plan product for multi-national employers, available in Jersey from 1 January 2019.

ISPs enable large multi-national companies to set up savings plans in Jersey for non-residents. These plans differ from traditional pensions offered to employees. They are more flexible as they allow a payout to employees before the normal minimum pension age, either on termination of employment or on the occurrence of a major life changing event such as redundancy, ill health or divorce.



Future-proof solutions for multi-national companies

Savings plan products are not new. They are offered the world over. However, large international employers setting up ISPs wish to establish them in a reputable well-regulated jurisdiction.

What sets Jersey apart as an ideal jurisdiction for international employers setting up ISPs is our robust regulatory framework and political and economic stability. Jersey's ISP product is approved by the Jersey tax authorities, a clear example of our Island's modern and sophisticated legal framework. As a jurisdiction at the forefront of global finance for more than 60 years, and with more than 13,000 finance industry employees, Jersey is ready to service and support the needs of multi-national companies looking to set up ISPs for their employees.

Better futures for international employees

Employees today are likely to work for several employers in their working lives.

Access to savings is vital for employees experiencing life changing events such as the termination of employment, redundancy, divorce, children going to university or children getting on the property ladder. A savings plan which has flexible rules as to when benefits can be paid out is ideal for employees working for multi-national companies where traditional pension schemes are not available.

How an ISP works: example scenario

Company A is a large company with offices in London, New York and Dubai. They employ a total of 5,000 people. Using a Jersey-based firm, Company A sets up an ISP for all 300 employees working in their Dubai office to provide for the end of service benefit (EoSb) payment due on termination of employment as required by UAE law.

Company A tailors the ISP to suit the needs of their Dubai-based employees by allowing employees to take out their EoSb payment prior to termination of their employment or on a 'trigger event' which includes ill health, divorce, children's education or to assist with buying property.

Employee X works in their Dubai office and has an ISP. Employee X is 45 years old and has a son who has just graduated from university. Employee X's son is keen to get on the property ladder in London. Employee X decides to cash in on their ISP and put their savings towards a deposit on a property for his son.



Frequently Asked Questions

Q I live and work in Jersey. Can my employer offer me this ISP, so I can access my savings before the age of 50 or on a trigger event? If they can't be offered to local residents why are they a good thing for the Island?

A ISPs are for non-residents only, however Jersey benefits from the day-to-day running of such schemes, which also require local legal services and banking facilities.

Q Are ISPs available to residents in the Gulf region only?

A No. Whilst ISPs were designed with the Gulf Cooperation Council member states in mind, in particular those where there is a legal obligation on employers to provide "end of service benefits" to their employees, they are available to international employers in other parts of the world.

Q Does a multi-national company have to have a minimum number of employees before they can set up an ISP?

A There is no minimum requirement for the number of employees needed to set up an ISP.

Q I am an employee, based in England, of a multi-national company offering ISPs. Can I have an ISP and a pension?

A Yes, it is possible to have both an ISP and a pension. Your employer decides whether to offer an ISP in addition to a pension.

Q If ISPs are offered around the world, what makes Jersey's ISP different? Why would a multi-national company choose Jersey over another jurisdiction?

A Jersey is a well-regulated and politically stable jurisdiction which is attractive to multi-national companies. Jersey also has almost 14,000 finance professionals and more than 60 years' experience in wealth management, so the jurisdiction is ready to service and support multi-national companies wishing to set up ISPs in Jersey

Q I am a multi-national company and I want to set up an ISP but offer different benefits to different categories of employees – can I do this?

A Yes, ISPs are a flexible product that can be tailored by the employer for the benefit of employees. An ISP can have different categories for different employees. For example, ISPs can have specific benefits for Gulf region employees, such as an EoSb section, and different benefits for employees in other jurisdictions, such as pensions, savings or shares.



Key Features

ISPs can be tailored to meet the needs of employer and employee, enabling a payout to employees when their employment ends or on the occurrence of a major trigger event which might include redundancy, ill health or divorce.

If multi-national and international companies choose Jersey to set up their ISPs, they will be able to provide benefits to employees before the minimum pension age, which is currently restricted to 50 in Jersey.

An ISP must contain all of the following features:

- Its sole purpose is to provide benefits in respect of a person's employment, wholly outside Jersey
- It is established under an irrevocable trust under Jersey Law by an employer who is not resident in Jersey
- It has trustees (either two or more individuals or a corporate) who are regulated by the Jersey Financial Services Commission (JFSC – Jersey's financial services regulator) and
- It is not a scheme which comes within the pensions framework under Jersey tax legislation

Why Jersey for ISPs?



Expertise

Jersey has one of the largest number of finance industry professionals of any IFC, giving it a vast pool of expertise



Central

It has a central time zone, making it easy to do business around the globe



Connected

Jersey has strong links and is in close proximity to the City of London and the EU, giving businesses and individuals easy access to both markets



Choice

In more than six decades Jersey has developed a breadth and depth of competitive products and services



Reputable

It adheres to, and is often an early adopter of, global standards set by the UK, EU, US and the Organisation for Economic Cooperation and Development (OECD)



Tax-Approved

The Jersey tax authority approves Jersey ISPs



Substance

A modern business environment with almost 14,000 professionals supported by a politically stable government



Working With the World

Jersey, one of the world's leading international finance centres, has been attracting bank deposits and investments from corporate institutions and private clients across the globe for more than 60 years.

Clearly, its success has been built upon its political independence and economic stability, a mature and respected legal and regulatory system, its tax neutral business environment and expert workforce.

The Gulf Region

Jersey has been working closely with countries in the Gulf region for many years, with a regional office in the UAE established in 2011. Jersey can work within a range of finance disciplines, sensitive to local dynamics, economies and cultures found in region.

Gulf-based companies wishing to set up Jersey ISPs can contact Faizal or An for more information and advice. Faizal and An are both based in Dubai.



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Africa

A vast continent with huge potential, we're proud to support Africa's growing economy to bring stability and a clear path to a prosperous future. We're developing new opportunities for Jersey firms in Africa and are continually fostering new relationships by attending, sponsoring or hosting multiple events throughout the continent, for the benefit of our Africa-focussed Jersey Finance member firms.

African-based companies wishing to set up Jersey ISPs can contact Faizal or Rufaro for more information and advice. Faizal is based in Dubai and Rufaro is based in Johannesburg.



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Asia

Opportunities in Asia extend throughout the financial and professional services sectors, offering scope to promote Jersey's finance industry as the international finance centre of choice for global investors – particularly in private wealth, banking and capital markets.

Asia-based companies wishing to set up Jersey ISPs can contact Maria McDermott for more information and advice. Maria is based in Shanghai and travels frequently around Asia.



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Disclaimer: This factsheet is only intended to provide a general overview of the subject matter. It does not constitute, and should not be treated as, legal advice.

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