

A photograph of two women sitting at a table outdoors. The woman in the foreground has long brown hair and is smiling towards the camera. The woman in the background has dark curly hair and glasses, also smiling. They appear to be in a casual setting, possibly a cafe or office break area.

YOUR NEW WORKPLACE PENSION

Member Booklet

STM MALTA OCCUPATIONAL RETIREMENT PENSION SCHEME



by **STM MALTA
PENSION SERVICES LIMITED**

YOUR NEW WORKPLACE PENSION

As the trustee and administrator of the STM Malta Occupational Retirement Pension Scheme, we are delighted to introduce you to your new workplace pension - the STM Malta Occupational Retirement Pension Scheme.

For many, retirement may seem a long way off but we all understand that saving for your retirement is important, and your employer has set up this pension scheme to help you to plan for your future retirement. Your membership of the STM Malta Occupational Retirement Pension Scheme is an important and valuable part of the package of benefits that you receive as an employee.

We understand that pensions can seem complicated and we have created this document to help you understand the importance of saving for your retirement, how the STM Malta Occupational Retirement Pension Scheme works, the costs involved and the benefits that the STM Malta Occupational Retirement Pension Scheme offers you and your family.

Please read this document carefully and keep it safe as it may be useful in the future. If you have any questions regarding your pension, please do call us on 00356 21 333 210, send us an email at maltapensions@stmmlta.com or visit our website <https://info.stmgroupplc.com/malta/>.

We look forward to supporting you on your journey to retirement.

UNDERSTANDING THE STM MALTA OCCUPATIONAL RETIREMENT PENSION SCHEME

The STM Malta Occupational Retirement Pension Scheme is a defined contribution occupational pension scheme. This means that the money that you and your employer contribute to the STM Malta Occupational Retirement Pension Scheme is invested and the amount of your pension benefits will depend upon the value of this "pot" of money when you access it.

The STM Malta Occupational Retirement Pension Scheme is established under a multi-employer master trust which means that your pension savings are held separately from your employer. The scheme is operated by the Retirement Scheme Administrator STM Malta Pension Services Limited and is licensed by the Malta Financial Services Authority (MFSA). As a member of the STM Malta Occupational Retirement Pension Scheme, you will receive a pension benefit statement every year that shows you how much your pension pot is worth. It is an ideal opportunity to review your financial goals and consider if you should be saving more towards your retirement.

WHY SHOULD I SAVE?

It is important that you save enough into your pension to provide you with a comfortable income in retirement as any social security based state pension (if available) is unlikely to provide you with enough income to maintain your existing standard of living once you have stopped working.

Between now and when you retire, the cost of things like food, fuel and holidays is likely to increase and therefore your savings should aim to grow more than the increasing cost of living. A pension is a key part of long-term saving strategy.

It is a good idea to build up your own retirement savings throughout your working life, as the combination of personal contributions, employer contributions and compound growth add up over time. In addition, in some countries saving into a pension also attracts beneficial tax treatment. This means that the longer you contribute money to a pension, even if it is just small amounts over time, the larger the fund that you will have to enjoy when you retire.

In Malta, any growth in the value of your pension between now and your retirement is not taxable, so your pension will grow free of Malta taxes regardless of your personal tax position.

WHY THE STM MALTA OCCUPATIONAL RETIREMENT PENSION SCHEME?

When you contribute money to the STM Malta Occupational Retirement Pension Scheme, your employer may also contribute on your behalf and tax relief is available, in the form of a tax credit of up to 750 Euro per annum.

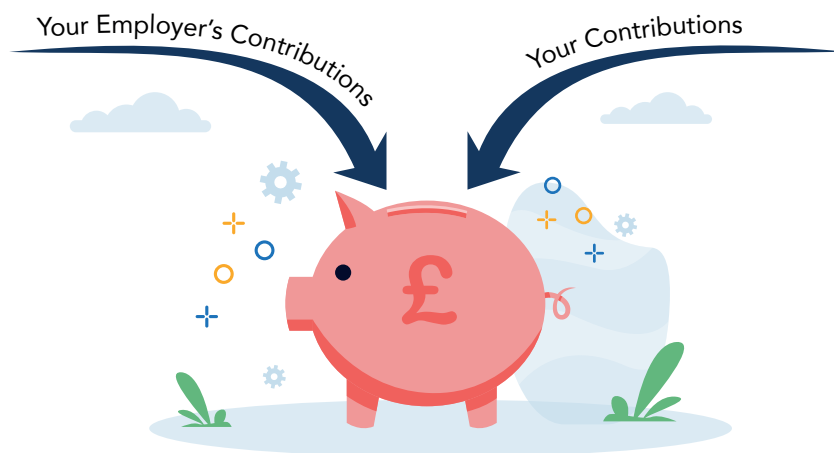
Your pension also offers additional security for your family, partner or loved ones. If you die before you retire or even after you start taking an income, your remaining pension pot can be paid in a number of ways to a range of people (see "What happens to my pension savings when I die?" for more details).

HOW DO I JOIN?

If you are interested in joining the STM Malta Occupational Retirement Pension Scheme, your employer will make a request for you to join and we will provide you with an application pack including an application form for you to sign and return to us via your employer.

WHO CONTRIBUTES TO MY PENSION?

You and your employer can both make regular payments into your pension.



CAN I GET TAX RELIEF ON MY CONTRIBUTIONS?

You will be given a tax credit of 25% of your contributions up to a maximum of 750 Euro per year.

HOW DO I PAY MY CONTRIBUTIONS?

Each month, your employer will make deductions of your contributions from payroll, add any employer contributions and pay all contributions to the STM Malta Occupational Retirement Pension Scheme's bank account within 15 days. We will allocate these contributions to your pension fund and invest in line with our investment policy.

CAN I STOP PAYING CONTRIBUTIONS?

Yes, you can stop at any point in time. Your pension will continue to be invested and you are free to restart your contributions if your employer agrees and you are below age 70. You will need to discuss suspending or stopping contributions with your employer to ensure that deductions from payroll are stopped and your employer may also stop contributing as a result.

HOW DOES MY MONEY GET INVESTED?

Your contributions, together with those made by your employer, will be invested in a pool of a variety of assets that spread the risk of investing. We have taken professional advice from our appointed investment manager on the investment strategy which aims to balance growing your pension and protecting your savings over time by the performance of the market. When you join the STM Malta Occupational Retirement Pension Scheme, we will invest your money in a strategy tailored to your target retirement date. When you are 15 years from retirement, your pension savings will move gradually into lower risk investments to reduce the risk of you experiencing sudden movements in the value of your pension as you reach retirement. This strategy is sometimes described as “lifestyling”. It is important that you let us know if you wish to change your retirement date. Just call us on 00356 21 333 210 or email us at maltapensions@stmalta.com.

It is important that you are aware of the advantages and disadvantages of investing in a pension scheme using a lifestyling strategy.

ADVANTAGES

The gradual movement of assets into lower risk investments is designed to reduce the volatility of your investments as you approach your selected retirement age. This is an automatic process and you will not need to make any decisions or take any actions yourself.

DISADVANTAGES

There is no guarantee of the value of your pension fund, the value of investments can fall as well as rise. You should keep your selected retirement age under review because the operation of the “lifestyling” strategy may not be appropriate if you don’t retire or don’t access your pension at your selected retirement age.



CAN I SELF-SELECT INVESTMENTS?

No, the investment strategy is set by the appointed investment manager.

DOES THE STM MALTA OCCUPATIONAL RETIREMENT PENSION SCHEME CONSIDER RESPONSIBLE INVESTING?

We recognise the importance that a firm's environmental, social and corporate governance impact is taken into account in the investment policy. For this reason, and to the best of our abilities, we will invest in assets that have a transparent environmental, social and governance policy.



WHEN CAN I START TAKING MY PENSION?

You can start taking your pension savings from your 61st birthday and you must have started before your 70th birthday.

The value of your pension at retirement is not guaranteed and the final value depends on a number of factors including contributions paid, the performance of the investments and any charges/fees payable. Please note the earlier your retirement the smaller your fund value will be as you will have paid fewer contributions and your fund will have had less time to grow. The level of income may need to be lower as your income may need to last longer.

WHAT ARE MY OPTIONS AT RETIREMENT?

TAX-FREE LUMP SUM ON COMMENCEMENT OF PENSION

30% of the fund value can be paid to you as a tax-free lump sum.

RETIREMENT INCOME OPTIONS

PENSION INCOME

The remaining 70% of your fund will be used to provide a retirement income. Income limits are reviewed and recalculated every three years.

You can decide how frequently your income is paid: monthly, quarterly, or annually.

Income is taxed at your marginal rate of tax in Malta.

Income levels payable are not guaranteed and are based on the value of your pension fund at the time of review.

ANNUITY INCOME

If you would prefer to receive a guaranteed level of income for your retirement, you can opt to purchase an annuity from an insurer of your choice.

As you near your retirement date, we will provide you with information regarding your options. If you feel you need advice when it comes to deciding what to do with your pension savings, you should speak to a financial adviser. They may charge you for their services.

HOW ARE MY BENEFITS FROM THE STM MALTA OCCUPATIONAL RETIREMENT PENSION SCHEME TAXED?

In Malta, payments from the STM Malta Occupational Retirement Pension Scheme are taxed locally as income at your personal rate of taxation. STM will pay the tax via the FSS

ONE PENSION FOLLOWING YOU ON LIFE'S JOURNEY

CAN I TRANSFER OTHER PENSIONS TO THE STM MALTA OCCUPATIONAL RETIREMENT PENSION SCHEME?

If you have existing pension savings it may be possible to transfer them to us, so they are all in one place. To discuss if we can accept a transfer from another pension, please call us on 00356 21 333 210 or email us at maltapensions@stmmalta.com.

Before transferring any pension, we would recommend that you speak to a financial adviser.



WHAT HAPPENS IF I LEAVE MY EMPLOYER?

If you leave your current employer or decide to stop contributing to your pension, your pension savings will remain invested within the STM Malta Occupational Retirement Pension Scheme.

As this is a multi-employer scheme, your new employer may wish to join and may also contribute to your pension savings, allowing you to keep your pension savings in one place. The STM Malta Occupational Retirement Pension Scheme can accept applications from employers worldwide.

You may be able to transfer the value of your pension savings to another pension provider.

OTHER IMPORTANT INFORMATION

WHAT IF I AM ABSENT FROM WORK?

Your employer will be able to tell you how your and your employer's contributions are affected if you are absent due to illness.

WHAT HAPPENS IF I BECOME TOO ILL TO WORK?

If you become ill or you are involved in an accident that prevents you from working and you have not reached age 60 you may be able to retire early on ill-health grounds.

If you are diagnosed with a terminal illness we may be able to pay you a terminal illness lump sum.

For either of the above we will require confirmation of your medical condition from an appropriately qualified doctor.

WHAT HAPPENS TO MY PENSION SAVINGS WHEN I DIE?

You can let us know whom you would like us to pay your retirement savings in the event of your death by making a nomination.

We will take into account your nomination when deciding whom to pay. It is very important that you keep your nominations up to date to take into account any changes to your personal circumstances.

We are able to pay a lump sum or a regular pension income to one or more of your dependants.

Dependants include:

- A spouse or partner
- Your children
- Someone who is not your spouse, civil partner or child but depends on you financially

HOW SAFE IS MY PERSONAL DATA HELD BY THE STM MALTA OCCUPATIONAL RETIREMENT PENSION SCHEME?

The security and safety of your personal data is very important to us. A copy of our Privacy Notice is included in your welcome pack and can be found on our website:

<http://info.stmgroupplc.com/privacy-notice>



WHO IS STM MALTA PENSION SERVICES LIMITED?

STM Malta Pension Services Limited is one of Malta's biggest pension trustees and administrators, administering approximately €1.8 billion of client assets and employing over 50 staff.

We have considerable experience and expertise in our industry and approximately eight thousand clients currently benefiting from our services.

Recognised as a local service provider of choice by the awards we have won in Malta, we continue to uphold the high level of service and expertise that is bestowed to all our clients both internationally and locally.

Our Board ensures high quality governance standards are met and is focussed on delivering excellent customer service and value for money.

STM Malta Pension Services Limited is part of the STM Group Plc, a multi-jurisdictional financial services group listed on AIM, a market operated by the London Stock Exchange. The group offers a range of pension products to international clients and has two life assurance companies which provide annuities and life assurance bonds, showing strength and depth of experience and stability.

WHO ELSE IS INVOLVED WITH THE STM MALTA OCCUPATIONAL RETIREMENT PENSION SCHEME?

We have appointed Curmi and Partners as the scheme investment manager. They are based in Malta and will select appropriate investments, monitor and change them as necessary, ensuring that they meet our investment strategy.

STM Malta Pension Services Limited and Curmi and partners are independent from each other minimising the risk that conflicts of interest will act against the interests of the members of the scheme.

We have appointed Deloitte, a major international audit firm, to complete an annual external audit of the scheme. The audited accounts are available to members.



HOW TO CONTACT US

If you have any questions or would like more information about your pension, please contact us. We are available during normal office hours Monday – Friday, 09:00 – 17:30 Central European Time:

STM MALTA PENSION SERVICES LIMITED

San Gwakkin Building, Level 1
Triq is-Salib tal-Imriehel, Zone 4
Central Business District
Birkirkara, CBD4020
Malta

Email: maltapensions@stmmalta.com

Telephone: +356 213 33210/33211

Website: <https://info.stmgroupplc.com/malta/>

RESOLVING YOUR CONCERNS

Our aim is to provide you with an excellent service, but if you are at all unhappy please contact us and we will try to resolve the issue. If you remain dissatisfied with the outcome, you can contact the Office of the Arbiter for Financial Services. The contact details are:

OFFICE OF THE ARBITER FOR FINANCIAL SERVICES

1st Floor, St Calcedonius Square,
Floriana
FRN1530
Malta

Telephone numbers:

If you are dialling from Malta 80072366 (Freephone – landlines only)

If you are dialling from overseas +356 21249245 (standard overseas call charges apply)

Website: <http://www.financialarbiter.org.mt/>

TRUST DEED AND RULES

The STM Malta Occupational Retirement Pension Scheme is governed by a document, known as the Trust Deed and Rules.

We have taken care to make sure that where this booklet summarises the Trust Deed and Rules, it is as accurate as possible. This booklet doesn't summarise everything and you should note that in the case of any discrepancy between the booklet and the Trust Deed and Rules, the Trust Deed and Rules will always prevail. A copy of the Trust Deed and Rules is available on request.

It may be necessary to change or update the Trust Deed and Rules from time to time. If there is an amendment to the Trust Deed and Rules we will notify your employer. It is up to your employer if they choose to notify you of any changes.





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The STM Malta Occupational Retirement Pension Scheme is licenced by the MFSA. The licencing of any Scheme by the MFSA does not imply an opinion from the MFSA regarding the suitability of the scheme for any individual.

The STM Malta Occupational Retirement Pension Scheme does not offer guaranteed benefits and the level of pension available on retirement will depend on the level of contributions and the performance of the underlying investments.

STM Malta Pension Services Limited ('STM Malta') is registered as a Retirement Scheme Administrator with the Malta Financial Services Authority. It is also authorised to act as trustee or co-trustee to provide fiduciary services in terms of the Trusts and Trustees Act. STM Malta Pension Services Limited is part of STM Group Plc, a multi-jurisdictional financial services group listed on AIM, a market operated by the London Stock Exchange.

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