

The Islamic Pension Trust



**Providing a Workplace Pension and
Auto-enrolment solution for Employers
requiring a
Sharia compliant
proposition for their workers**

Accredited by Al Rayan Bank plc
Administered by Carey Corporate Pensions UK



The Islamic Pension Trust Workplace Pension Scheme

The Islamic Pension Trust (IPT) has been set up as an occupational pension scheme for employers who want to provide their employees with a Sharia compliant, ethically investment-driven occupational pension scheme.

Accredited for Sharia compliance by Al Rayan Bank plc, the Scheme is eligible for auto enrolment as a qualifying workplace pension scheme. It has been established specifically to meet the needs of its members.

The Scheme will be continually monitored by an experienced, independent Sharia Compliance Officer of the Al Rayan Bank, who will provide oversight on an on-going basis to ensure that Sharia compliance and governance is maintained.

The Scheme enables employers to provide an option for their Muslim employees which is in line with their faith, as well as non-Muslim employees who are seeking an ethical alternative to traditional pension schemes.

Key features of the Islamic Pension Trust

- Provides a Qualifying Workplace Pension Scheme
- Fully Sharia compliant
- Ongoing Sharia compliance oversight
- Easy to establish
- Specialist pension administrator and trustees
- Specialist investment management
- Flexible and transparent
- On-line access
- Fully compliant auto-enrolment capability
- Fully compliant for Pensions Regulator reporting

Sharia Features & Enhancements

The arrangements and contracts within the Scheme are Sharia compliant.

Payments and cash transactions are all processed using Islamic bank accounts and any profits derived will be free of interest (Riba).

The Scheme can only contain pre-approved Sharia compliant assets authorised by the Sharia Compliance Officer of Al Rayan Bank plc.

There is no option to purchase non-Sharia compliant retirement options i.e. annuity. Only drawdown and/or income generating or cash based assets are permissible.

The Auto-enrolment System

The Auto-enrolment system aims to reduce employer administration costs and the need for additional resources, removing the burden from the employer. The auto-enrolment system is a web-based portal that will enable the employer to deal with their responsibilities associated with auto-enrolment electronically, making it a simple and efficient process.

Employers simply need to upload the payroll file(s) into the system (CSV, XML or Excel) and the portal will carry out the following functions.

- Assessment of pension schemes
- Assessment of workers
- Enrol eligible jobholders
- Administer opt-ins and opt-outs
- Produce member statutory communications
- Produce reports and outputs to the regulator, pension providers, payroll companies and for general management information

The system will enable the employer to minimise additional administration costs and resource.

The Auto-enrolment portal can be branded.

The Auto-enrolment portal will be updated with any regulatory changes as required.

Investment choices designed for the Islamic Pension Trust



Default Investment Strategy

The Islamic Pension Trust provides investors access to a UK equity portfolio based on shares that have been or are expected to be included in the FTSE 350 index, offered by Praemium UK Ltd and managed by Criteria Management & Research Ltd. The equity portfolio is blended with cash accounts provided by Al Rayan Bank plc. The blend is in accordance with the lifestyle strategies..

The advantage of using this investment is that not only is a default strategy offered, but additionally a de-risking programme has been built in.

De-risking Programme

All members of the Islamic Pension Trust invested into the default investment strategy will be invested into the UK equity portfolio if they have more than 11 years until the default retirement age of the scheme, which is age 65. Therefore all members less than age 54 will be invested in this fund initially.

Thereafter the Lifestyle strategy will be followed as outlined below:

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- 11 years to retirement: 100% UK Ethical Equity
 - 10 years to retirement: 92% UK Ethical Equity / 8% Cash
 - 9 years to retirement: 83% UK Ethical Equity / 17% Cash
 - 8 years to retirement: 78% UK Ethical Equity / 22% Cash
 - 7 years to retirement: 72% UK Ethical Equity / 28% Cash
 - 6 years to retirement: 67% UK Ethical Equity / 33% Cash
 - 5 years to retirement: 60% UK Ethical Equity / 40% Cash
 - 4 years to retirement: 53% UK Ethical Equity / 47% Cash
 - 3 years to retirement: 46% UK Ethical Equity / 54% Cash
 - 2 years to retirement: 41% UK Ethical Equity / 59% Cash
 - 1 year to retirement: 20% UK Ethical Equity / 80% Cash
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The Lifestyle investment strategy is a process whereby higher risk profiled investments are utilised during the growth phase of an individual's pension.

The growth phase is the period where an individual wishes to accumulate funds in their pension and may be willing to take more risk. Generally this is up to 15 years before retirement.

Following the growth phase, an individual's pension funds are gradually moved into lesser risk profiled funds, and into cautious investments over a 10-15 year period.

The switch of investments is completed on an annual basis until an individual's investments are held in risk-averse funds.

Non-permissible investments

- Interest bearing certificates or accounts
- Deposits at non-Islamic banks
- Products from non-Islamic insurance companies
- Investments that contain business lines that deal in:
Alcohol, pork related substances, tobacco companies, arms, gambling, pornography manufacturers, retailers and distributors
- Interest (Riba) is also forbidden i.e. charging money for borrowing money.

Available Self-select or Advised Investment Strategies

The trust has access to the SMARTfund's Sharia compliant DPS service. Scheme members will be able to choose for themselves, or be recommended by their advisers, any single strategy or blend of strategies that may be required.

SMARTfund Administration Ltd (SAL) portfolios offered by Praemium:

- Aggressive Growth strategy
- Growth strategy
- Balanced strategy
- Cautious strategy
- Defensive strategy

The Team

- Sharia supervision by Al Rayan Bank plc
- Pensions administration by Carey Corporate Pensions UK
- Investment management by SMARTfund Administration Ltd
- Trusteeship undertaken by Carey Corporate Pension Trustees UK Limited

The Islamic Pension Trust

The Islamic Pension Trust is a UK registered Master Trust Occupational Defined Contribution Scheme, HMRC reference no: 00810588RQ

The administrator of the Islamic Pension Trust is Carey Corporate Pensions UK, an independent pension specialist, providing dedicated support, technology and administration, fully compliant for auto-enrolment.

The trustees of the Islamic Pension Trust are Carey Corporate Pension Trustees UK Ltd., providing professional trusteeship and corporate governance in line with the Trust Deed and Rules and regulatory requirements. Oversight is provided by the Sharia Supervisory Committee of Al Rayan Bank plc.

About Al Rayan Bank plc

Al Rayan Bank plc (formerly Islamic Bank of Britain plc, IBB) is the UK's only wholly Sharia compliant retail bank. They have been pioneering British Islamic banking since 2004 and have the largest range of Sharia compliant finance products in the market

About Carey Pensions

Carey Pensions is part of Carey Group which traces its origins back over 40 years and whose principle shareholders are ten partners of one of the largest international law firms in the Channel Islands, Carey Olsen.

Carey Group are independent providers of specialist onshore and offshore administration and trustee services for pension schemes, trusts, funds and other related areas.

Carey Group administers pension schemes for over 50,000 members and has close to £1.2 billion of assets under administration. Carey Group can provide pension schemes for the corporate workplace for UK and international companies.

Carey Pensions is a specialist pensions administrator and trustee, providing a range of pension solutions for both corporate and individuals. The UK business has a specialist pension team of over 50 staff operating from its Head Office in Milton Keynes.

[figures as at Dec 2014]

Don't delay, speak to us about the Sharia compliant proposition

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