



Overviewing the benefits proposed under a Defined Contribution Pension Scheme



New private pension schemes are set up under a Defined Contribution (DC) type where the contribution rate is defined based on the decision of the employer. One of the key factors when deciding the level of contribution rate is the targeted replacement ratio, which is the projected pension as a percentage of projected final salary at retirement. We shall send you different scenarios when you will share us the data.

Swan Life Ltd is the promoter of a multi-employer DC scheme, Swan Defined Contribution Pension Scheme (SDCPS), set up as a trust. SDCPS is licensed by the Financial Services Commission under the Private Pension Schemes Act 2012 to provide pension benefits to its members and beneficiaries. SDCPS is open to employers who do not want to set up their own standalone private pension scheme. Our proposal will therefore be for your company to adhere to SDCPS as a participating employer. The service providers of the scheme are as follows:

- Pension scheme administration: Swan Pensions Ltd
- Scheme actuary: Swan Life Ltd
- Fund manager: Swan Wealth Managers Ltd
- Life insurer: Swan Life Ltd
- Auditor: BDO

Once the scheme design will be completed, we will prepare the Employer Application Form (EAF) for your company. The EAF will represent the specificities of your scheme under the DC master trust. The EAF will be submitted to the FSC together with other documents for their approval. After getting the approval of the regulator, your company will start contributing to SDCPS.

In terms of investment options, the Swan Unit Linked Insurance Policy is offered to SDCPS participants. Under this policy, a choice of 5 sub-funds is offered to each employer. These sub-funds have their own investment objectives and asset mixes. We shall provide you all details as part of your proposal.

The administrative expense under SDCPS is 0.6% of pensionable salaries.

The employer may also provide for a Group Life cover and Permanent Health Insurance under the scheme. This benefit is insured with Swan Life Ltd and the risk premium is payable on top of contributions for pension benefits.