



MetLife Master Trust

Employer and Intermediary Guide



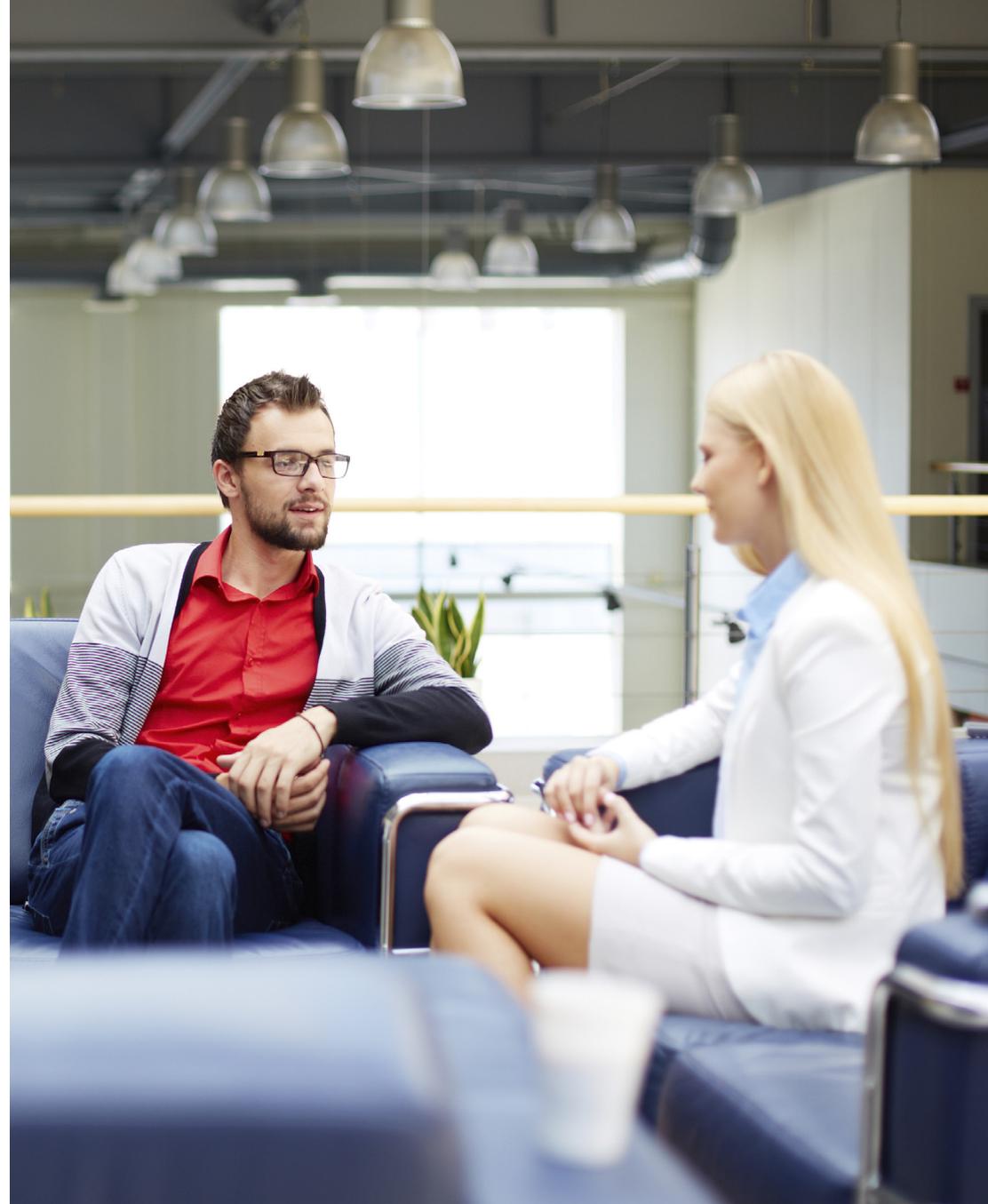
Introduction

This guide

The guide is intended to be a user-friendly description of the operation of the MetLife Master Trusts. The Master Trusts operate by providing life cover to a range of employers and their employees via a section of the Master Trust specific to each employer. MetLife launched its Registered Master Trust in 2013 and has introduced some important changes to make its use easier for employers, as well as now introducing an Excepted Master Trust, designed to hold MetLife Excepted Group Life and Single Life Relevant Life policies; offering even more flexibility for employers.

Our Master Trusts are managed by an independent trustee who holds the participating group life policies and deals with any claims which arise, working closely with our claims team and with you as an employer and your advisers.

The trustee will deal with any tax reporting to HM Revenue and Customs 'HMRC' and ensure that the Registered Master Trust is managed in such a way as to operate as a registered occupational pension scheme for the purposes of the relevant legislation (principally Finance Act 2004) to ensure the most tax-effective environment.



MetLife's Master Trusts have been designed to ensure that life cover can be provided in a flexible trust-based format. This approach aims to minimise hassle for employers and maximise protection for employees in the event of a death.

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Frequently asked questions

What is a Master Trust and why use one?

A master trust is a discretionary trust capable of providing benefits to a range of different employers unconnected with each other. Each employer via its insurance policy with MetLife operates within its own segregated section of the master trust.

Operating in this format provides a flexible and tax-effective approach. The employer has a say in how the cover operates for its business but ultimately the legal responsibility and decision-making, reporting for tax purposes etc. are all the responsibility of the independent trustee.

Using MetLife's Master Trust makes providing life cover for employees easier, as employers don't have to worry about running the trust itself. They simply take out and hold the life policy, and MetLife and their independent trustee does the rest.

What cover is provided?

This will be governed by the terms of your MetLife Group Life policy. The policy provides lump sum benefits in the event of death of an insured member. No other cover or benefit is payable via the policy. The Master Trusts cannot provide retirement benefits or dependant's pension benefits.

What is the legal basis of the Master Trust?

The plan is governed by a constitution set out in a trust deed and rules dated 30th September 2019. The terms of the rules make clear that the employer responsibility is to maintain the premium payments to MetLife. In the event of a claim following a death, MetLife's claims team will work with the independent trustee, the employer and adviser, to ensure a timely payment of the insured lump sum to the appropriate beneficiaries.

The plan operates on a discretionary trust basis meaning that the trustee has a choice as to whom to pay the lump sum to from a list of potential beneficiaries including spouse, dependants, other family members and any favoured charities. This discretionary trust basis means under current governing tax law that the payment does not form part of the estate of the deceased with obligations in relation to Inheritance Tax 'IHT'.

Who is the independent trustee of the Master Trusts?

MetLife has selected and appointed Irwin Mitchell Trustees Limited to act as trustee of MetLife's Master Trusts. Irwin Mitchell is the 11th largest law firm in the UK, offering a broad range of legal services to national and international organisations and institutions, small and medium-sized businesses and private individuals. More information about the Irwin Mitchell Group can be found here www.irwinmitchellgroup.com.

Who can join the master trust?

Any employer taking out a MetLife Group Life policy can use the MetLife Master Trust. There is no maximum limit as to the number of employees that can be covered under a MetLife Group Life policy, and subsequently, included in the membership of the Master Trust. All an employer needs to do is hold a MetLife Group Life policy and complete an Employer Admission Form. This can be signed, scanned and emailed to MetLife.

How much does it cost to use the Master Trust?

MetLife does not charge employers, employees or advisers to use its Master Trusts. Access to these are provided free of charge.

What if an employer already has its own scheme but wants to use MetLife's Master Trust instead?

An employer can take out a MetLife Group Life policy and participate in a MetLife Master Trust. MetLife cannot provide advice in respect of the winding up of a registered pension scheme, and recommends employers consult with HMRC. More information can be found here www.gov.uk/guidance/pension-administrators-wind-up-a-scheme.

If there is a principle employer and multiple associated employers covered under a policy, can they still use the Master Trust?

Yes, and only one employer admission form needs to be completed by the principle employer for each Master Trust.

Can an employer join both Master Trusts for registered and excepted death benefits?

Yes. The employer would need to take out separate policies and complete an admission form for each Master Trust. They are separate trusts with different tax treatments, so need to be joined separately.

Can scanned copies of the employer admission forms be sent to MetLife?

Yes, once the form has been signed by an authorised signatory, it can be scanned and emailed to MetLife.

Whilst MetLife will still accept completed and signed Deeds of Participation for its Registered Master Trust, as they are Deeds, only wet signatures can be accepted for these. The originals must be sent to MetLife.

How to complete the employer admission form?

The employer needs to include the following information and then an authorised signatory signs and dates the form before returning to MetLife (scanned form by email is acceptable).

- Employer name
- Registered office or principal place of business
- Principal and alternative contact names
- Email address
- Telephone number(s)
- Admission date
- Organisation type
- Companies House number (if relevant)



How to join and leave the Master Trust

Employer without an existing MetLife policy joining Master Trust

1

Employer agrees to take out a policy with MetLife and join the Master Trust.

2

Policy Schedule states that the policy belongs to the trustee for the purposes of the master trust.

3

Employer completes Employer Admission Form and the policy schedule is added to that.

4

Employer Admission Form is sent to MetLife for submission to Irwin Mitchell.

5

Irwin Mitchell sign and date the Employer Admission Form, report to MetLife and the register is updated.

How to join and leave the Master Trust

Employer with an existing MetLife policy joining Master Trust

1

Employer agrees to have policy with MetLife assigned to and covered by the terms of the Master Trust.

2

Policy schedule is amended by stating that the policy belongs to the trustee for the purposes of the Master Trust.

3

Employer completes Employer Admission Form which operates as an employer joining document and assignment of the existing policy and policy as amended is duly assigned to the Master Trust.

4

Employer Admission Form is sent to MetLife for submission to Irwin Mitchell.

5

Irwin Mitchell sign and date the Employer Admission Form, report to MetLife and the register is updated.

How to join and leave the Master Trust

Employer with an existing MetLife policy leaving Master Trust and keeping MetLife policy

1

Employer agrees to maintain a policy with MetLife but leave the Master Trust.

2

MetLife amends policy by revising the policy schedule with the new trustee as appointed by the employer.

3

MetLife communicates to Irwin Mitchell that employer will exit.

4

Irwin Mitchell completes the Employer Exit Notification form.

5

Irwin Mitchell signs and dates the Employer Exit Notification form, reports to MetLife and the register is updated.

How to join and leave the Master Trust

Employer with an existing MetLife policy leaving Master Trust and MetLife

1

Employer agrees to cancel the policy with MetLife and leave the master trust.

2

MetLife terminates policy.

3

MetLife communicates to Irwin Mitchell that employer will exit.

4

Irwin Mitchell completes the Employer Exit Notification form.

5

Irwin Mitchell signs and dates the Employer Exit Notification form, and report to MetLife and the register is updated.

What happens in the event of a claim?

MetLife assesses the claim in the usual way, and pays the benefit to Irwin Mitchell as trustee of the scheme. MetLife will ask for some initial documents regarding potential beneficiaries to start the process for Irwin Mitchell.

Irwin Mitchell will then determine the appropriate beneficiaries and distribute the money accordingly. They may well ask for additional information. It's important to ensure they carry out full due diligence to ensure the money is going to the appropriate individuals. This is just the same as if an employer had appointed its own trustees to run an employer-sponsored scheme rather than using MetLife's Master Trust.

MetLife will never pay money directly to beneficiaries where an employer is using MetLife's Master Trust.



What is an Expression of Wish form and why is it important?

An Expression of Wish form is a form completed by an employee stating who they would like the proceeds of their death benefits to be paid to. As the benefits are paid from a discretionary trust, it is ultimately the trustee's discretion as to who they pay the benefits to. However, the trustee will take the deceased employee's wishes into account (i.e. those expressed in the Expression of Wish form) when considering who should receive the money. Benefits are paid outside of the deceased employee's estate, so this form is separate to any instructions that may be set out in a Will.

It's hugely helpful if an employee has completed an Expression of Wish form that Irwin Mitchell can take into consideration if the employee dies. As an employer, you can ask and encourage your staff to complete one and retain the forms (perhaps by the HR Manager), to be supplied in the event of an employee's death.

MetLife has a generic expression of wish form that can be used by employers, and can be found on our website www.metlife.co.uk.



How are benefits payable from the Master Trust taxed?

Registered Master Trust

Lump sum benefit payments from a registered scheme are normally paid tax-free by the trustee provided the payment, when combined with all other payments made from other registered arrangements, is less than the lifetime allowance that applied at the member's date of death.

The lifetime allowance is the maximum amount of lump sum and / or pension that benefits from tax relief (a combination of exemptions and deductions on income and expenditure to recognise taxable income) for a member receiving benefit from their registered pension schemes. The current standard lifetime allowance for the tax year 2019/2020 is £1,055,000. This will change in future tax years. Benefit payable in excess of the lifetime allowance may be subject to a tax charge. More details can be found at: www.hmrc.gov.uk.

Each person receiving the death benefits must pay the appropriate share of any tax due.

Excepted Master Trust

Payments from a discretionary trust like the Excepted Master Trust are subject to periodic and / or exit charges. Irwin Mitchell will be responsible for ensuring these tax charges are paid, and will be deducted from any benefit before it is passed onto any beneficiaries. More information can be found www.gov.uk/guidance/trusts-and-inheritance-tax#transfers-out-of-trust.



How do I make a complaint?

MetLife wants you to be entirely satisfied with the group life cover and the master trust.

If you have a query or complaint you should in the first instance contact the MetLife Customer Service team on 0800 917 1112 or at MetLife, Invicta House, Trafalgar Place, Brighton BN1 4FR. Information is also available on the website www.metlife.co.uk.

If we are unable to resolve a complaint to your satisfaction, you may be able to complain directly to the Financial Ombudsman Service ('FOS').

To be covered under the FOS scheme, you must be an eligible complainant, defined as a:

- Consumer (i.e. an individual);
- A charity with an annual income of less than £1 million;
- A trustee of a trust with a net asset value of less than £1 million; or
- A micro-enterprise.

The criteria for an entity to be considered a micro-enterprise are:

- a. employs fewer than 10 persons; and
- b. has a turnover or annual balance sheet that does not exceed €2 million.

If you are in any doubt as to whether you are an eligible complainant or if you wish to make a complaint please contact FOS at Exchange Tower, Harbour Exchange Square, London E14 9SR.

Email: complaint.info@financial-ombudsman.org.uk.



Complaint in respect of Irwin Mitchell as independent trustee

Any expression of dissatisfaction about the service you have received from Irwin Mitchell will be considered seriously and they will ensure that they respond promptly to any complaint.

If you are not happy with the reply provided by the person normally dealing with your case you can refer the matter to his/her supervising partner or manager. The name of the supervising partner or manager will also be found on your initial correspondence or, if you do not have this, by contacting their Client Care team on 0121 214 6579.

The supervising partner or manager will consider your complaint and carry out an investigation and will provide a proposed solution within ten business days. If the matter is complex and it takes longer to deal with your complaint, we will contact you within ten business days to give you an approximate timescale of when you can expect a response. If we believe it would be helpful, we may suggest a meeting.

If, following investigation by the supervising partner or manager, you remain dissatisfied with the response then your complaint may be referred to our Client Care team by email, ClientCare@irwinmitchell.com, or by post at 31 Temple Street, Birmingham B2 5DB.

If there are any circumstances which make it difficult for you to make a complaint in writing, please call the Client Care team on 0121 214 6570 who will do all they can to assist you. The Client Care team will ensure that your complaint about the service provided by Irwin Mitchell is carefully examined and resolved as quickly as possible.

If you are not satisfied with the final response of our Client Care team you may refer your complaint to the Legal Ombudsman (LeO). The LeO expects complaints to be made to them within six years from the date of the act/omission about which you are concerned, or three years from when you should have known about the complaint. The Legal Ombudsman will usually only consider a complaint if our internal complaints procedure has been exhausted within the last six months.

The Legal Ombudsman's contact details are as follows:

Telephone: 0300 555 0333

From overseas: +44 121 245 3050

Email: enquiries@legalombudsman.org.uk

Website: www.legalombudsman.org.uk

Legal Ombudsman

PO Box 6806

Wolverhampton

WV1 9WJ

How is the trustee decision regulated?

In simple cases, such as where there is a surviving spouse, the decision and payment can be made quickly and simply. The Claims Team and the independent trustee will deal with matters with a sympathetic approach and a minimum of fuss.

In more complicated cases, the independent trustee will need to assess information provided to ensure a practical and agreed outcome. Sometimes this may mean establishing a trust for minors or making other similar provision to ensure that the lump sum is secure for the benefit of those intended.

Those staff and others in your organisation covered by a Master Trust are asked to complete and keep up to date an Expression of Wishes form. This is a written document indicating to the trustee and others who is intended to benefit in the event of death. The expression of wishes is just that, an indication and not a legally binding direction. Nevertheless in most cases the trustee will expect to follow the intentions of the deceased.



Data Protection

MetLife

MetLife shall at all times comply with, and observe, all applicable data protection laws.

MetLife is the data controller in respect of any personal data provided to us. The ways in which MetLife may collect, share or process personal data are explained in MetLife's Privacy Notice. MetLife's Privacy Notice also explains the rights of data subjects regarding personal data. A copy of MetLife's Privacy Notice is available on our website, www.metlife.co.uk.

Irwin Mitchell

Irwin Mitchell is the data controller in respect of any personal data provided to them. Details about their privacy and security, including their Privacy Notice, can be found on their website,

Master Trust documents available

- Registered Master Trust Deed and Rules
- Excepted Master Trust Deed and Rules
- Employer Admission Form (Registered Master Trust)
- Employer Admission Form (Excepted Master Trust)
- Expression of Wish form (standard)
- Expression of Wish form (pets)



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