

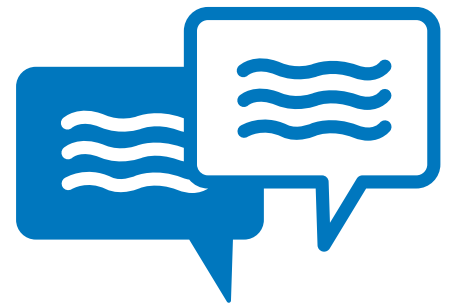
A photograph of two men in business attire. On the left, a Black man in a white shirt and striped tie is pointing at a computer screen. On the right, an Asian man in a light blue shirt and blue tie is looking at the screen. The background is a blurred office with large windows.

INTRODUCING THE METLIFE MASTER TRUST

TAKING AWAY THE COMPLICATED ADMINISTRATION OF A TRUST

MetLife®

Below are the answers to some frequently asked questions to help you to understand more about the MetLife Master Trust.



How can an employer benefit from the new MetLife Master Trust?

All employers wishing to insure lump sum death benefits for their staff with a MetLife Registered Group Life policy can choose to participate in the MetLife Master Trust. All they need to do is sign a Deed of Participation which is included at the end of the proposal form. The employer must ensure they follow the instructions carefully. They must return the original to MetLife to arrange execution by the trustee of the MetLife Master Trust. This effectively assigns the policy benefits to the MetLife Master Trust, and in the event of a valid claim, policy benefits are payable to the trustee of the MetLife Master Trust, who in turn passes them on to the appropriate beneficiary(ies).

How much does it cost?

The MetLife Master Trust is offered free of charge to all employers taking out a MetLife Registered Group Life policy, and there are no additional costs for participating employers.

Will HMRC still expect participating employers to provide information in respect of the scheme?

No. The scheme administrator (who is also the trustee) of the MetLife Master Trust is responsible for reporting information to HMRC regarding the registered scheme.

Does the MetLife Master Trust enable companies to provide pension benefits for dependants, in addition to lump sum death benefits for staff?

No. The MetLife Master Trust is designed exclusively to provide lump sum death benefits only, which are insured by a MetLife Registered Group Life policy.

What happens in the event of a successful claim?

All claim payments are made to the trustee of the MetLife Master Trust, who is responsible for distributing any pay-out to the appropriate beneficiaries.

What happens if an employer wants to cancel their MetLife Registered Group Life policy?

If a company cancels its MetLife Registered Group Life policy at any time, it will be automatically removed from the MetLife Master Trust as there will be no policy benefits assigned to the Master Trust.

If the company wishes to continue to provide life cover to their employees and/or partners, either by themselves or with an alternative insurer, they may need to set up a different scheme under another trust, appointing trustee(s) and a scheme administrator.

What if an employer has a MetLife Registered Group Life policy and is in the MetLife Master Trust, but wants to leave the MetLife Master Trust while retaining their MetLife Registered Group Life policy?

The employer needs to complete, sign and date a Deed of Revocation of Assignment (provided by MetLife), following the instructions carefully, which should then be sent to MetLife. From the date of the signature, the client's MetLife Registered Group Life policy benefits will no longer be assigned to the MetLife Master Trust. The company will then need to participate in an alternative scheme (confirmed by a PSTR number) or set up their own, in order for their MetLife Registered Group Life policy to continue.

What if a client has a MetLife Registered Group Life policy insuring benefits provided by their own scheme, but wants to de-register that scheme and join the MetLife Master Trust instead?

You will need to contact MetLife. This can only be considered on a case-by-case basis.

Why must original Deeds be sent to MetLife?

For a Deed to be legally valid, it must be properly executed, which requires the original to be signed by both parties. A copy of the executed Deed will be sent to the participating or formerly participating employer.

What happens if there is a significant delay between a MetLife Registered Group Life policy going on risk, and MetLife receiving the signed Deed of Participation?

During the period in which policy benefits are not assigned to the MetLife Master Trust, and in the absence of them not being payable under any other registered scheme, MetLife may terminate the policy. In addition, HM Revenue & Customs (HMRC) may not regard any policy benefits payable from the policy as being eligible for tax relief, and they may be subject to inheritance tax and/or income tax.

An easier, more affordable and accessible way to offer tax-free lump sum death benefits



The MetLife Master Trust is aimed at employers who want to provide tax-free lump sum death benefits to their staff but are perhaps put off by the administration involved in setting up their own scheme and the on-going HMRC reporting responsibilities. With the MetLife Master Trust, employers don't need to set up their own registered group life scheme but can still provide tax-free lump sum death benefits (subject to an individual's lifetime allowance) for insured employees and partners of participating employers.



In the past, the administration involved in setting up a trust may have deterred companies from providing financial protection for their employees. Setting up a standalone group life scheme written under discretionary trust for benefits to be paid tax-free can be complicated, costly and time-consuming to manage. But the MetLife Master Trust:

- Removes the need for employers to administrate the process themselves;
- Helps to remove the business expense for firms;
- Provides valuable life cover in a cost-effective way;
- Helps employers gain the advantage of all the tax benefits with a solution that is more affordable and accessible; and
- Is completely free of charge with no additional costs for participating employers.

The scheme is registered with HMRC for the relevant tax relief*.

Please note that any policy benefits payable in respect of an individual will be tested against their lifetime allowance at the time of their death, taking into account any other benefits payable or that have already been paid from other registered scheme arrangements they may be members of. Any benefit that is paid in excess of an individual's lifetime allowance is subject to a tax charge.

* The MetLife Master Trust is a group life scheme registered with HMRC as a registered occupational pension scheme under section 153 of chapter 2 of the Finance Act 2004 (as amended, superseded or replaced), and provides benefits on the death of insured members of the scheme.

To find out more

Talk to your Employee Benefits Sales Consultant, or call us on

 0800 917 2111

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 www.metlife.co.uk/atwork

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