

## Frequently Asked Questions

### Retirement Products

- **TISP** – Tax Incentive Savings Plan
- **CTISP** – Corporate Tax Incentive Savings Plan
- **ETISP** – Equity Tax Incentive Savings Plan
- **CETISP** – Corporate Equity Tax Incentive Savings Plan

#### 1. What are the TISP and CTISP investment objective?

The objectives of TISP and CTISP are:

- To achieve long-term growth primarily through income and capital appreciation in order to provide investors with returns that will assist in meeting their retirement goals.
- The assets are invested in a diversified portfolio of debt securities along with some equities to assist with combating the effects of inflation over the long-term.

#### 2. What are the ETISP and CETISP investment objective?

The objectives of ETISP and CETISP are:

- To achieve long-term growth primarily through income and capital appreciation in order to provide investors with returns that will assist in meeting their retirement goals.
- It seeks to improve long-term investment returns by investing primarily in equity securities.

#### 3. What is the difference between TISP and CTISP?

TISP provides individuals with the opportunity to save towards their retirement, whilst benefitting from reducing their tax payments. Whereas, CTISP allows companies to make contributions, on behalf of their employees, to enhance their pension benefits.

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### **4. What is the difference between ETISP and CETISP?**

ETISP provides individuals with the opportunity to save towards their retirement, whilst benefitting from reducing their tax payments. The plan allows individuals to achieve potentially higher long-term investment returns through a larger allocation to equity securities. Whereas, CETISP allows companies to make contributions, on behalf of their employees, to enhance their pension benefits. The plan potentially achieves higher long-term investment returns through a larger allocation to equity securities.

### **5. What is the minimum I can invest?**

You can invest with as little as \$100 monthly.

### **6. What are the Benefits of our TISP?**

The benefits of TISP are as follows:

- TISP offers a tax relief on annual contributions up to \$60,000 (less 70% of your NIS).
- Flexible contributions are permitted as clients can increase, decrease, or stop payments at any time without charges.
- Selection of a maturity date between your 50th and 70th birthday.
- The ability to contribute to TISP utilizing your credit card which will enable you to earn bonus points or miles.

### **7. Do I have to be an accountholder at Republic Bank to open a TISP?**

You are not required to be customer of Republic Bank Ltd to open a TISP.

### **8. Is there an age limit to open a TISP?**

Yes, to open a TISP you are required to at least of 18 years of age.

### **9. Can the TISP be opened jointly?**

TISP can only be opened solely as it is identified by one's BIR number, which requires approval from the Board of Inland Revenue.

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### 10. What are the underlying assets of the TISP?

The underlying assets of TISP are identified below:

- There are two (2) types of TISP (RTISP & ETISP):
- The RTISP mainly invested in debt securities which comprises corporate & government bonds
- The ETISP is mainly invested in equity securities which comprises stocks and shares.

### 11. How can payments be made to the TISP

Payments can be made via standing orders, salary deductions, deposits at any branch of Republic Bank Ltd or via credit card.

### 12. How is the price per unit calculated?

Price per unit is calculated based on the net asset value of all securities in the portfolio.

### 13. Is there a maximum contribution requirement for the TISP?

No, the maximum contribution depends solely on your cash-flow. However, the threshold to make a claim (for tax purposes) is a maximum of up to \$50,000 inclusive of your 70% NIS contributions.

### 14. Are contributions covered by Deposit Insurance Corporation - DIC?

Any funds that are invested will not be covered by DIC. However, these funds are held in Trust and are covered by a Trust Deed.

### 15. What does higher tax free lump sum at maturity mean?

The tax free lump sum is identified below:

Tax free Lump sum = 100% of interest or earnings + 25% of total contributions  
75% of contributions is used to purchase an annuity to provide income for life.

### 16. Can funds be utilized as collateral?

No, retirement plans are barred from being used as security in Trinidad and Tobago.

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### **17. Can I make payments online?**

No, payments cannot be made via RepublicOnline. However, payments are accommodated at all Republic Bank branches.

### **18. Can I nominate a beneficiary?**

Yes, you can nominate a maximum of six (6) persons.

### **19. Is my beneficiary required to sign any documents?**

No, your beneficiary is not required to sign the application form. Additionally, their consent isn't required to make changes to your beneficiaries.

### **20. Is there a guaranteed interest rate?**

There is no guaranteed rate of return.

### **21. Can funds be withdrawn without closing the TISP?**

No, there are no withdrawals of funds from the plan.

### **22. What happens if I need to close / surrender the plan prior to the maturity date?**

Once you surrender your TISP before the maturity date, you will be charged a penalty of 25% of the total contributions and total interest, which is payable to the Board of Inland Revenue.

### **23. Can a TISP be opened if you are not eligible to pay P.A.Y.E.?**

Yes, once you are in possession of a BIR number you will be able to open a TISP. However, you will be unable to make a tax claim.

### **24. What happens at the maturity date?**

At maturity, you are entitled to a tax-free lump-sum which comprises 25% of your gross contributions along with 100% of the accumulated interest. The remaining 75% of your gross contributions is used to purchase a Single Premium Immediate Annuity (SPIA), through our brokers.

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### **25. Can the full plan balance be paid at maturity?**

No, you will be entitled to the benefits at maturity as stated in #15 above. However, if the 75% of gross contributions is unable to provide you with an SPIA in excess of \$500 per month, you have the option of availing of the annuity, or have the 75% commuted and taxed at the current rate of 25%.

### **26. Are there any fees payable to the SPIA provider?**

Yes, there is an administrative fee, which is not deducted from your annuity payments, as this fee would have been factored in during the calculation of your monthly pension which is payable for life.

### **27. Can the maturity date be amended?**

Yes, however, the date must be between your 50<sup>th</sup> to 70<sup>th</sup> birthdays. Additionally, notice must be given at least one (1) month before the original maturity date, or the date in which you would like the maturity to occur. For instance, if your maturity date is at age 65 and you would like to have it amended to age 60, notice must be given at least one (1) month prior to your 60<sup>th</sup> birthday.

### **28. Can I get my statement via email?**

No, statements are mailed out before February 28<sup>th</sup> of each year.

### **29. What happens if I die before the maturity of the TISP?**

The funds will be paid equally to the nominated beneficiaries. However, if any of the beneficiaries is a minor, the funds will be held on Trust until they attain the age of 18.

### **30. Where can I get more information on the Fund?**

For more information, please contact one of our Financial Advisors to make an appointment.