

LA FERLA



Workplace Pension Schemes Explained

A Simple Guide for Employers

01. Why Offer a Workplace Pension Scheme?

Offering a workplace pension scheme is one of the **most impactful, cost-effective ways to invest in your people** while gaining tangible business advantages. It's not just a perk – it's a statement of your commitment to your team's long-term wellbeing.

Laferla is here to support you

in setting up a fully compliant, government-approved solution that is simple to set up, easy to administer, and incredibly rewarding for your employees.

The result?

Higher employee satisfaction and improved staff retention.

And the best part: employees receive 25% back in tax credits, while employers can claim contributions as a business expense – and also receive a separate 25% tax credit, up to €750 per employee, per year.

Workplace pension schemes are available to companies with five or more employees ready to enrol.

However, Laferla can offer flexibility to established corporate clients with ongoing business relationships, potentially waiving this minimum requirement. No prior experience is needed — just a forward-thinking approach and a commitment to supporting your team's future.

In short: it's a no-brainer.

02. About the Scheme: Plan Ownership and Investment Options

Each employee has a personal pension account in their name, which sits within your company scheme. Contributions from the employer and employee are invested into professionally managed funds – typically through globally respected firms like **Fidelity, BlackRock, Invesco, or Schroders**, as well as local fund managers.

Default Investment Option: A Key Requirement

When setting up a pension scheme, employers are required to select a Default Investment Option. This is the fund (or combination of funds) where all employees will be automatically invested during the first 12 months of their enrolment in your Pension Scheme.

This ensures employees can start saving from day one, even if they have no investment knowledge.

Following the first 12 months of their individual plan, depending on choices that you make as the Scheme owner, employees may be able to change their investments from the Default Investment Option into other available funds.



Fidelity Target Funds: Exclusively Available

A popular and powerful choice is the **Fidelity Target Fund Range** – a suite of lifecycle funds designed to match an individual's expected retirement year.

These funds gradually shift from higher-growth investments in early years to more stable assets as retirement approaches. Each employee is automatically fitted into a Target Fund which has a "Target Date" (think of a "Cash-Out Date") closest to their retirement date.

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Target Funds are **frictionless, low-maintenance, and perfect for first-time investors** – making them an ideal default selection. This investment option is a perfect choice to remove the burden from the employer of making the right default investment choice for their employees – a responsibility that can be quite daunting to commit to.

The Occupational Pension Scheme product offered by Laferla is currently the only product on the market which offers Fidelity Target Funds.

Extensive Fund Options

The Scheme offers a diverse set of investment options to suit varying risk profiles and personal preferences, including:

- Conservative and balanced funds
- Growth-oriented equity funds
- ESG (Environmental, Social, Governance) themed investments
- Lifecycle/target-date strategies

Employers can choose to restrict employees to the default option, or allow them to switch to other funds made available by Mapfre MSV Life plc. Fund factsheets are updated periodically and available to view online, allowing everyone to track performance transparently.

Employees keep ownership of their pension pots at all times. If they leave your organisation, they can transfer their account to another pension scheme or convert it into a personal plan.

This means your investment in their future stays with them – and they remember where it started.



03. Setting Up the Scheme

Getting started is easier than you think. Here's all it takes:

- 1.** Complete our Application Form – detailing your business and your pension preferences. Laferla's team is on hand to assist you with every step and requirement, making the process as smooth and efficient as possible.
- 2.** Complete the standard onboarding process for legal entities, which captures:
 - Company registration, Employer and VAT numbers
 - Authorised signatories and Ultimate Beneficial Owners (UBOs)
 - Basic KYC documentation (ID, shareholder structure, etc.)
- 3.** Choose your Default Fund – typically the Fidelity Target Fund, ideal for minimising your risk.
- 4.** Define your Contribution Strategy



Contribution Strategies

One of the most powerful advantages of this scheme is its remarkable flexibility in designing your contribution structure. Whether you want to reward tenure, incentivise performance, or simply provide equitable support across all roles, the scheme adapts to your goals.

You can choose to:

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| ■ Match employee contributions | ■ Tier benefits by job grade, seniority, department, or any internal metric |
| ■ Offer fixed employer top-ups | |
| ■ Apply percentage-based contributions | ■ Link contributions to salary bands, length of service, or bonus schemes |

04. Onboarding Employees

Effortless Enrolment

Once your scheme is in place, enrolling employees is quick and easy. Our user-friendly onboarding templates make data collection straightforward, requiring just the basic information needed to get each employee started.

Whether you're enrolling five or five hundred staff members, the process is built for clarity and efficiency.

All that's required is basic employee information and their intended contribution levels. Fund selections are managed centrally or by the individual, depending on how you've chosen to structure your scheme.

Seamless Support

Laferla takes care of the rest: we prepare individual employee welcome kits, issue personalised certificates, and communicate directly with staff to explain the value of the benefit you've given them.

Everything is digital, trackable, and designed to minimise your admin load.

It's admin without the headaches – the kind of seamless, supportive customer experience Laferla is proud to deliver.

05. Monthly Administration

Managing the monthly administration of your scheme couldn't be easier. Laferla provides intuitive templates to help you report any changes, whether it's new joiners, updated contributions, or employee exits.

You simply send us three quick updates:

- Basic details for new or updated members
- (Optionally) confirmation of payroll deductions
- A summary of total contributions being paid that month



Submissions

These are submitted by the **15th of each month**, and we take it from there.

Our team reviews and validates everything, ensuring smooth handoff to MMSV without additional admin on your end.

Laferla will always do its best to keep processes hassle-free, accurate, and to keep your HR or payroll team focused on their core tasks – not buried in paperwork.

Contributions

The minimum total contribution is just **€100 per employee per month**, which can be split between employer and employee as you choose.

For instance, if your company does not contribute to an employee's pension plan, the employee must meet the €100 monthly minimum contribution.

In another example, if your company contributes €40 per month to a particular employee, the employee must contribute at least €60 individually to meet the minimum contribution.

06. Scheme Flexibility

This scheme is designed to fit around your business – not the other way around. From contribution strategies to investment fund access, nearly every aspect can be customised.

You can choose between:

Opt-in or automatic enrolment models,

depending on your onboarding style.

Flexible fund options,

allowing employees choice, or stick to one consistent default.

Most diverse fund options in Malta,

offering no-maintenance Target Funds as well as other funds managed by leading global fund managers including Fidelity, BlackRock, Invesco and Schroders.

Tiered contribution levels

based on role, seniority, department, or internal policies.

Portability and security for employees.

Whether you're a startup, an established SME, or a large organisation, this scheme offers a **powerful combination of structure and flexibility** – one that evolves with your workforce and business goals.

07. Tax Benefits

- Employees benefit from a generous 25% tax credit, up to €750 annually. The best part? It's completely seamless. There's no action required on their end – we handle all the reporting directly with the Maltese tax authorities, ensuring employees receive their tax credit automatically.
- Employers are also entitled to a separate tax credit of 25%, up to €750 per employee per year.
- Additionally, contributions are treated as a fully deductible business expense, improving tax efficiency and helping optimise total reward strategy.



08. Fees & Economic Comparison: Pension Plan vs Traditional Investments

The tables on the following pages compare typical costs and benefits of saving through the Workplace Pension Scheme offered by Laferla, versus arranging traditional investments yourself through a broker or self-managed app. Figures are indicative to help decision-making; actual fund and platform fees vary by product.

Topic	Pension Plan (MMSV via Laferla)	Traditional Investments (Broker/App)
Annual management / platform	1% per annum Annual Management Charge	Often 0.8%–1.5% per annum advisory/broker/platform fee for “managed” accounts (typically requiring a large starting investment)
Fund charges (charged by the underlying Fund Manager)	~0.3%–1.5% p.a. depending on chosen fund. Fund charges charged by underlying Fund Managers are the same.	~0.3%–1.5% p.a. for similar funds. Fund charges charged by underlying Fund Managers are the same whether purchasing fund units through the Pension Scheme or a Broker.
Bid/Offer spread / dealing margin	None — units bought/sold at market price within the scheme.	Common — mark-ups/mark-downs and/or wider spreads per trade.

What is a “Bid/Offer spread”?

Most brokers mark up the cost of buying and selling investments. For example:

The broker will buy a unit (“unit” being a “share” of a fund) for €100 and charge the client €101 for the same unit.

The broker may then sell the same unit for €100 and return €99 to the client.

This €2 spread in this example (€1 in each transaction) is the broker’s profit. It is typically charged as a percentage, meaning that it could be quite significant in larger transactions. Furthermore, self-managed investment apps, or investment options found in Fintech apps, usually build in a higher spread since they typically do not charge the client an Annual Management Fee.



With a Workplace Pension Scheme offered by Laferla, there is no bid/offer spread. Units are bought and sold at true market value.

Topic	Pension Plan (MMSV via Laferla)	Traditional Investments (Broker/App)
Minimum to start	€100/month (combined employer + employee)	Often higher minimums or large lump sums for advice (managed) accounts
Employee tax credit	25% of annual contributions up to €750/year, applied automatically for non-filers	Not available
Default Investment Option	Easy start, following the Default Investment Option set by your employer, with optional switching after 12 months (subject to employer rules)	No default — investor must choose themselves and manage their own strategy
Investment Options	Carefully selected and professionally-managed funds, appropriate for retirement savings	Open access to international markets, often allowing “too much” choice which may result in inexperienced investors making poor choices



Note:

Underlying fund charges are set by the fund manager and apply in all channels. Fee ranges are illustrative; confirm your exact schedule before onboarding. Tax incentives are subject to eligibility and law changes.

09. Licensing & Important Notices

Laferla Insurance Agency Ltd (C14529), "Laferla", is enrolled under the Insurance Distribution Act, Cap 487 to act as an Insurance Agent for MAPFRE MSV Life plc. (C15722), "MMSV". MMSV is authorised by the Malta Financial Services Authority (MFSA) under the Insurance Business Act, Cap 403 of the Laws of Malta. Both entities are regulated by the MFSA.

The pension scheme referred to in this guide is manufactured by MMSV and distributed by Laferla.

This document is intended to provide high-level information about the products mentioned for educational purposes and should not be interpreted as advice.

All the investment options that we provide as permitted links to the MAPFRE MSV Life WorkSave Pension Scheme are externally managed by specialist asset/ investment managers. This means that we are not responsible for the performance of these funds and their continued availability.

All financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment cannot be guaranteed. The value of the investment may fall as well as rise and investors may get back less than originally invested. Past performance is not a reliable indicator of current or future performance.

There are additional risks involved in relying on the performance of a single asset class, as opposed to spreading investments over a variety of asset classes. The return on each fund depends on the performance of the assets it invests in and the charges of the fund.

Different funds have different levels of risk. The higher the risk rating, the more volatile the fund price is likely to be. Some funds invest in overseas assets and in foreign currencies. This means that movements in exchange rates and the political and economic situation in other countries can adversely affect the value of these funds and the return on investment. Any currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

Any information within this document which refers to Taxation is based on the current Tax legislation and practice. Future changes in Tax legislation could affect the tax position of both the employer and the employee in relation to voluntary occupational pension schemes. In order to ascertain the exact tax status, professional tax advice should be sought.

For tailored assistance or to begin your setup, contact the Laferla Corporate Solutions team today.

Laferla – helping you build a better workplace, one pension at a time.

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