



Pensions Fact Sheet - Things You Should Know

When migrating to Australia most people will have UK pensions or other assets which should be considered as part of the migration process.

These frequently asked questions and facts will answer many of your questions and will address many concerns you may also have.

Overview

- UK Pensions, if left in the UK till retirement will be taxable in either the UK or Australia
- UK Pensions transferred to Australia before your retirement will pay a tax free pension once you are over the age of 60 years.
- Upon death most UK pensions pay a reversionary pension to the spouse of 50% of the pension income and upon death of the spouse the residual benefits are retained by the UK pension companies.
- In Australia, the spouse receives 100% of the benefit and upon death of the spouse the residual passes to children or nominated beneficiaries.

Q) I am migrating to Australia so what happens with my pensions?

A) You have a number of choices and options with your UK pension funds.

These choices include:

- I. Leave your funds in the UK where they are & eventually draw a pension in retirement.
- II. Move your UK funds to another UK scheme within the UK of your choice pending retirement/ transfer
- III. Transfer your pension funds across to an Australian approved superannuation fund.

Q) Must I transfer my UK pension funds to Australia when I migrate or can I do it at some later stage?

A) No. There may be good reasons to retain your benefits in the UK and you most certainly can transfer the funds later. There may then be some Australian tax implications but good advice can clarify this aspect for you.

Q) If I transfer my UK pension funds to Australia will I incur any tax in the process?

A) If UK pension funds are transferred within 6 months of taking up permanent residency then No Tax will be payable on the transfer.

However if the transfer occurs more than 6 months after Australian permanent residency some tax may be payable as a part of the transfer process.

Q) Can I leave my UK pension funds and other assets in the UK?

A) *Yes you can.*

Q) Will I be disadvantaged by leaving my UK pension funds in the UK?

A) *Not necessarily. There may be some tax implications but you may be better to leave the funds and not transfer. Advice is essential.*

Q) If I transfer my UK pension to Australia now as a lump sum, when I retire will I be taxed on the pension I draw?

A) *No, if you are 60 or more on retirement, your pension will be tax free. Lump sum withdrawals will also be tax free.*

Q) If I have funds in the UK what happens when I retire?

A) *When you retire you begin to draw a pension from your funds which in most cases will be fully taxed in either the UK or Australia.*

Q) Will I then pay tax in both countries if I draw my pension from the UK?

A) *You should not*

Q) Does Australia have any inheritance tax / death duty?

A) *No.*

Q) Will I be required to pay UK inheritance tax if I am living permanently in Australia?

A) *Possibly.*

Once you have broken UK domicile provisions you will generally not then be subject to any UK inheritance tax. This is an area that should be addressed by obtaining professional advice from your accountant.

Q) Can I transfer my UK State Pension as a lump sum to Australia?

A) *No, the UK State Pension cannot be transferred as a lump sum however 8% of this income is tax free in Australia.*

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- Greater control & access available from Australia
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- Choice of two services
 - Transfer only service
 - Advice & transfer service
- Qualified & regulated staff in Australia & the UK
- Dedicated administration and customer service teams
- Easy to read plain English reports at NO COST
- Network of financial advisers throughout Australia
- FREE financial plan once settled into Australia as part of the transfer process

For further information or to contact us please visit:

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