GLOBAL
Pension Transfers

Pre Departure To Australia Booklet

Contents

The Australian Tax System

To understand your tax situation, you firstly need to determine whether you are an Australian resident for tax purposes.

Generally, you are an Australian resident for tax purposes if you have:

- always lived in Australia
- moved to Australia and live there permanently
- been in Australia continuously for six months or more and for most of the time you have been
- in the one job and
- living in the same place, or
- been in Australia for more than half of the financial year, unless
  - your usual home is overseas, and
  - you do not intend to live in Australia.

Please note the tests used by the Australian Tax office to determine your residency status for tax purposes are now the same as those used by other Australian agencies for other purposes (e.g. immigration, if you enter Australia on a temporary visa then the tax conditions that apply to you are different to those of permanent residents).

Tax File Number

The Australian Tax File Number (TFN) is similar to that of the National Health Insurance Number. Tax file numbers are issued by the Australian Tax Office (ATO). It is not compulsory to have a tax file number however, without a tax file number you will be disadvantaged considerably:

- your employer must take 46.5% of your wages in tax.
- financial institutions are required to tax your interest at 46.5%.
- you will not receive certain government benefits you may otherwise be able to receive
- e.g. Centrelink will generally not pay you an allowance – e.g. youth allowance, Newstart etc.
- you will not be able to defer your higher education fees.
- you cannot get an Australian business number (ABN).
- the ATO cannot process your tax return.
- You cannot set up and contribute to a Superannuation fund without a TFN.
- Your tax file number is valuable. It is highly recommended that you do not share it with friends or provide it over the internet when applying for jobs.

It is possible to apply for a TFN whilst resident in the UK for investment purposes.

You will need to lodge an application at the Australian High Commission in London if you wish to apply in the UK. The ATO now prefers applications to be lodged once you become resident in Australia. When you arrive in Australia, if you applied whilst in the UK and were granted a TFN, your investor tax file number is converted to a residents TFN but no change to the number will apply.

For more information on applying for a TFN please refer to the ATO website: www.ato.gov.au

Income Tax

Payers, such as employers, are required to withhold tax from the payments they make to you and send those payments to the Tax Office regularly. When you lodge your income tax return at the end of the financial year, you will be entitled to a credit for the amount of tax which has been withheld from your pay. This amount is shown on your payment summary. Your payer works out how much tax to withhold based on information you provide in your Tax file number declaration and Withholding declaration.

Withholding rates are calculated on the basis that, if your pay and circumstances remain consistent throughout the year, you may be entitled to a small refund when you complete your tax return at the end of the financial year.

This system is called pay as you go (PAYG) withholding.

Tax rates for 2011/12 for Australian residents for tax purposes* are:

Taxable income	Tax on this income
0 - $6,000	Nil
$6,001 - $37000	15c for each $1 over $6,000
$37,001 - $80,000	$4,650 plus 30c for each $1 over $37,000
$80,001 - $180,000	$17,550 plus 37c for each $1 over $80,000
$180,001 and over	$54,550 plus 45c for each $1 over $180,000

The above rates do not include the Medicare levy of 1.5%

Effective July ist 2012/13 these rates are expected to change dramatically if the proposed Carbon tax legislation is passed by the Australian Government. These rates will become:

$0 - $18,200	Nil
$18,201 - $37,000	19c for every $1 over $18200
$37,001 - $80,000	$3,572 plus 32.5c for each $1 over $37,000
$80,001 - $180,000	$19,482 plus 37c for each $1 over $80,000
$180,000 and over	$56,482 plus 45c for each $1 over $180,000

Medicare Levy

The Medicare Levy is a scheme that is similar to National Health Insurance. To help fund the scheme Australian residents pay a 'Medicare Levy' of 1.5% payable with your annual tax assessment. Australian residents with no dependants who earn a taxable income of above $75,000 and do not have adequate private health insurance may be subject to a Medicare Surcharge (up to 1.5%), in addition to the general Medicare Levy. Medicare Levy will not be payable on incomes of less than $18839 for individuals and $31789 for families.

For a husband and wife with combined incomes of $150,000 or more then the 1% surcharge will apply to income above the figure if they have no private health insurance.

This levy will be tiered as follows;

Income	Percentage
$75,000 to $90,000	1%
$90,001 to $120,000	1.25%
greater than $120,000	1.5%

Tax on Foreign Income

As a general rule, Australian residents must pay tax on all income, whether it arises in Australia or overseas. For example foreign income such as rent from foreign property and dividends from shares in foreign companies would be taxed in Australia at the individuals marginal tax rate. However, it may be possible to offset tax already paid in the source country if a double tax treaty is in existence between Australia and the country of origin of the overseas income.

In the case of the UK there is a double tax treaty in place which will mean that any tax paid in the UK will be credited to your Australian tax liability.

Foreign Investment Funds (Now FAF Tax)

Effective 1 July 2010 the FIF tax rules were replaced by a new FAF Tax (Foreign accumulation Funds Tax) Very few UK Investments are now caught by these new rules and as such for the average investor this new tier of tax is no longer an issue. We do however suggest that you check the Australian Tax Office Website (www.ato.gov.au) or discuss with you Australian based accountant for more information.

Capital Gains Tax (CGT)

CGT is the tax that is paid on any capital gain that is included on an individual's annual income tax return. CGT is levied on the net capital gain at an individual's marginal tax rate. CGT can apply to a variety of assets including direct shares, units in a managed fund and investment properties.

Some examples of when a CGT event may occur include:

- an asset you own is lost or destroyed (the destruction may be voluntary or involuntary)
- you give an asset away
- shares you own are cancelled, surrendered or redeemed
- you enter into an agreement not to work in a particular industry for a set period of time
- a company makes a payment (not a dividend) to you as a shareholder
- a liquidator or administrator declares that shares or financial instruments you own are worthless
- asset from inheritance sold by beneficiary
- you stop being an Australian resident

As opposed to the current UK system whereby there is a small exempt amount on capital gains, Australia has a 50% reduction on the capital gain of an asset if the asset is held for longer that one year (refer below):

Capital Gains tax in the UK Is assessed at the rate of 18% after an exemption amount of 10,100 pounds.

The calculation* for CGT is as follows:

Total Net capital gains for the year
less
your total capital losses (including any net capital losses from previous years)
less
any CGT discount (ie. 50% discount for an asset owned for at least 1 year) and
CGT small business concessions to which you are entitled.

* calculations can vary depending on when the asset was purchased (e.g. Indexed method for purchases Pre September 1999)

For individuals moving to Australia holding UK assets that are subject to CGT, the value of each asset needs to be determined once residency is taken up in Australia. This will become the cost base and any future gains from the date of residency until the day there is a CGT event at which time there will be an assessment under CGT provisions.

Inheritance Tax 2010/11

Under the current (2011/12) UK tax system there is inheritance tax of 40% imposed on estates over the threshold of £325,000. This amount will remain fixed up to and including 2014/15. In Australia however, there is no inheritance tax.

Goods and Services Tax (GST)

GST is a broad based consumption tax similar to that of VAT. The tax is charged at a rate of 10% on most goods and services within Australia. GST is charged at each step in the supply chain, with registered businesses including GST in the price of goods and services they sell.

GST free items goods and services include:

- basic food e.g. including meat, fruit and vegetables
- most typical medical services, including all services covered by Medicare
- hospital services
- private health insurance premiums
- a wide range of commonly used health services (such as physiotherapy, chiropractic, podiatry and dental services)
- medical aids and appliances designed specifically for people with disabilities or illnesses, and many pharmaceutical products and residential care services provided in nursing homes and hostels
- most education services
- most childcare services
- farmland supplied for farming
- sale of a business as a going concern

Financial Year

The Australian financial year runs from 1st July to 30th June.

Tax Returns

By 31 October each year, all Australian taxpayers must complete a tax return –The hard copy of forms needed is all included in “the Tax Pack”. This is a self-assessment system, whereby each taxpayer declares their income and allowances to arrive at their own tax liability.

For those people lodging tax returns through an accountant the date for lodgment can be extended until April of the following year.

Foreign Exchange

Fluctuations in foreign exchange rates can adversely affect the amount of money available to you once you arrive in Australia. In order to protect your finances from the possibility of a downfall currency traders can ’lock in’ an agreed exchange rate at a selected future date (e.g. date of arrival in Australia). This effectively eliminates the currency risk and therefore you will know the exchange rate you will receive at the previously selected date.

To transfer funds immediately into Australian dollars there are a number of companies that will do this for you. Please refer to the following websites for more information:

MONEYCORP
Ph: 020 7828 7000
www.moneycorp.com

HALO FINANCIAL Ph:
02073 505474
www.halofinancial.com

SAT Worldwide
Ph: 01491 577 550
www.satworldwide.co.uk

Each of the above companies provides a foreign exchange service, each is individually regulated in the UK by the FSA, and each company has no affiliation with Global Pension Transfers.
There are numerous other foreign exchange companies that also operate in the UK and Australia who offer similar services. The above companies have all been used by our clients at various times and have provided a professional and competitive service in all cases.

Opening up a Bank Account

We do recommend, where possible that you open an Australian Bank account before leaving the UK. This can be done at the offices in the UK or online with each of the major banks listed below. In order to open up a bank account in Australia you need to be able to prove your identity. This is done by providing at least 100 points of identification as valued in the table below. When you arrive in Australia it is then a simple task to activate the account and have access to funds immediately.

Birth Certificate Passport Citizenship Certificate	70 points	You can only get points for one item in this section
Documents on which your name and address appear: Car registration Utility bill Rental receipts Records of another financial institution showing you've been a member for 12 months or more	25 points	

* Please note some banks only require your passport as identification to open up a bank account as long as this is done within 6 weeks of arriving in Australia.

Major Australian bank websites

ANZ Bank - www.anz.com

Commonwealth Bank of Australia - www.commbank.com.au

National Australia Bank - www.national.com.au

Westpac Bank - www.westpac.com.au

Purchasing Property in Australia

Purchasing property in Australia can be a challenging task. Besides the costs of the house, the potential buyer also has to take into consideration Australian taxes and extra federal and local charges.

Stamp Duty

Stamp duty is a general tax imposed on the selling of real estate and is paid by the purchaser or borrower. The rates between each state vary as follows (current as at July 2011) -

Victoria

Up to $25,000	1.4%
$25,001 - $130,000	$350 + 2.4% of dutiable value over $25,000
$130,001 - $440,000	$2,870 + 5% of dutiable value over $130,000
$440,001 - $550,000	$18,370 + 6% of dutiable value over $440,000
$550,001 - $960,000	$28,070 + 6% of dutiable value over $550,000
More than $960,000	5.5% of the dutiable value

Queensland

Up to $200,000	2.4125%
$200,001 - $250,000	$4825 + $3.50 for every $100 or part of $100 over $200,000
$250,001 - $300,000	$6575 + $3.50 for every $100 or part of $100 over $250,000
$300,001 - $350,000	$8325 + $3.50 for every $100 or part of $100 over $300,000
$350,001 - $400,000	$10.075 + $3.50 for every $100 or part of $100 over $350,000
$400.001 - $450,000	$13575 + $3.50 for every $100 or part of $100 over $400,000
$450,001 - $500,000	$15525 + $3.90 for every $100 or part of $100 over $450,000
$500,001 - $550,000	$17775 + $4.50 for every $100 or part of $100 over $500,000
$550,001 - $600,000	$20025 + $4.50 for every $100 or part of $100 over $550,000

South Australia

Up to $25,000	1%
$12,001 - $30,000	$120 + 2% of dutiable value over $12,000
$30,001 - $50,000	$480 + 3% of dutiable value over $30,000
$50,001 - $100,000	$1080 + 3.5% of dutiable value over $50,000
$100,001 - $200,000	$2830 + 4% of dutiable value over $100,000
$200,001 - $250,000	$6830 + 4.25% of dutiable value over $200,000
$250,001 - $300,000	$8955 + 4.75% of dutiable value over $250,000
$300,001 - $500,000	$11,330 + 5% of dutiable value over $300,000
	$21,330 + 5.5% of dutiable value over $500,000

Western Australia

Up to $80,000	2%
$80,001 - $100,000	$1600 + 3% of dutiable value over $80,000
$100,001 - $250,000	$2200 + 4% of dutiable value over $100,000
$250,001 - $500,000	$8200 + 5% of dutiable value over $250,000
	$20,700 + 5.4% of dutiable value over $500,000

New South Wales

Up to $14,000	1.25%
$14,001 - $30,000	$175 + 1.5% of dutiable value over $14,000
$30,001 - $80,000	$415 + 1.75% of dutiable value over $30,000
$80,001 - $300,000	$1,290 + 3.5% of dutiable value over $80,000
$300,001 - $1 million	$8,990 + 4.5% of dutiable value over $300,000
	$40,490 + 5.5% of dutiable value over $1,000,000

Tasmania

Up to $1,300	$20
$1,301 - $10,000	1.5% of dutiable value
$10,001 - $30,000	$150 + 2% of dutiable value over $10,000
$30,001 - $75,000	$550 + 2.5% of dutiable value over $30,000
$75,001 - $150,000	$1675 + 3% of dutiable value over $75,000
$150,001 - $225,000	$3925 + 3.5% of dutiable value over $150,000
	$6,550 + 4% of dutiable value over $225,000

Australian Capital Territory

Up to $100,000	2%
$100,001 - $200,000	$2000 + 3.5% of dutiable value over $100,000
$200,001 - $300,000	$5500 + 4% of dutiable value over $200,000
$300,001 - $500,000	$9500 + 5.5% of dutiable value over $300,000
$500,001 - $1,000,000	$20,500 + 5.75% of dutiable value over $500,000
	$49,250 + 6.75% of dutiable value over $1,000,000

Northern Territory

For property values up to $500,000 the following formula is used: Duty payable = (03065 x V2) + 21V where V = (dutiable value) / 1000
Over $500,000 stamp duty is charged at a rate of 5.4% of the dutiable value.

On a property purchase with a dutiable value of $450,000, stamp duty will add to the overall costs as principal place of residence:

Queensland - $13575

NSW - $15,740

Australian Capital Territory - $17,750

Tasmania - $15,550

Northern Territory - $17,557.15

Western Australia - $15,390

South Australia - $18,830

Victoria - $18,970

First Home Owners Grant

In July 2000 the Federal government introduced the First Home Owners Grant. This was designed to assist those purchasing homes for the 1st time in Australia.

To be eligible for the First Home Owner's Grant, the following criteria must be fulfilled:

- The purchaser must be an Australian citizen or permanent resident buying or building their first home in Australia.
- The property must be a recognised house, home unit, flat or other self-contained fixed dwelling, specifically designed for residential purposes.
- The Grant must not have been claimed previously.
- The home must be occupied by the applicant within twelve months of purchase settlement or building completion.
- Application for the Grant must be made within twelve months of settlement or building completion.
- Please note that applications made in joint names will only be entitled to one payment for the single property.

With effect from 1 January 2010 this amount reverted to $7000 for both new and established dwellings.

However, some state governments have Introduced a bonus schemes to encourage first home buyers to purchase properties outside of the major metropolitan areas.

Depending on which state you are planning to move into there may or may not be a similar scheme. You should check therefore on the below listed websites to see If your chosen state does offer any type of a bonus payment system.

For more information on the bonuses and concessions available in your State or Territory, contact the relevant revenue office or visit their website (see below).

ACT	www.revenue.act.gov.au	(02) 6207 0029
NSW	www.osr.nsw.gov.au/	(02) 9685 2122
NT	www.nt.gov.au/	(08) 8999 6683
QLD	www.osr.qld.gov.au/	(07) 3227 8733
SA	www.revenue.sa.gov.au	(08) 8266 3750
TAS	www.treasury.tas.gov.au	(03) 6233 4976
VIC	www.sro.vic.gov.au	(03) 9628 6851
WA	www.dtf.wa.gov.au/	(08) 9262 1400

Removals and Storage

When moving from the UK to Australia you will inevitably want to take your furniture and personal belongings. Moving is also a time when you need to decide what to take and what to leave behind.

Advice on the pros and cons of taking certain items such as electrical goods and even motor vehicles can make the move that much less stressful.

We do recommend you speak to at least 2 reputable removal and shipping companies at least 3 - 6 months before your planned departure date. Companies we use and can recommend are listed below:

White & Company Phone 01489 774942 www.whiteandcompany.co.uk

PSS Removals Freephone 0800 988 3669 www.pssremovals.com

Anglo Pacific Phone 020 8838 8081 www.anglopacific.co.uk

Superannuation

Superannuation has been specifically designed and endorsed by the Australian Federal Government as the preferred way to save for your retirement (similar to a UK pension), and has added tax benefits that make it particularly attractive.

Super funds may also offer life insurance cover, as well as total and permanent disability insurance. Some also offer insurance for salary continuation for a limited time, generally 2 years if you become disabled or sick for an extended period of time.

In most cases, you join a fund as soon as you're employed, because by law your employer must pay contributions into a fund on your behalf. Currently, under the 'superannuation guarantee', your employer must pay is 9% of your earnings. For example if your annual income was $50,000 then $4,500 would be deposited into your superannuation account. This is generally paid over and above the $50,000 salary you receive but this is not always the case.

If you are self-employed, you can decide if you want to join and contribute to a fund. If you are not currently employed, or never have been employed, you can still join and contribute to a fund up to age 65.

Superannuation can be a tax effective way of building wealth for your retirement. The tax rates imposed on superannuation funds are as follows:

- Contributions Tax is a maximum of 15% of the contribution made and claimed as a tax deduction.
- Investment income is taxed at a maximum of 15%.
- Capital Gains are taxed at a maximum of 10%, provided the asset has been owned by the superannuation fund for at least 12 months.
- When an income stream, such as an account based pension, is commenced upon retirement, the tax rate imposed on income and capital gains in the pension account is reduced to zero, and the pension payments will enjoy a tax free amount, as well as a tax offset of up to 15% until the person reaches age 60 years after which time all the pension income paid becomes tax exempt.

These superannuation tax rates are in contrast to an individual's marginal personal tax rate which can be as high as 46.5% (including the Medicare Levy).

Superannuation benefits are restricted in that they generally cannot be accessed until the owner reaches their Preservation Age and has retired, or the owner reaches age 65. A person's Preservation Age will vary between age 55 and 60 depending on their date of birth (as outlined in the table below).

Date of Birth	Preservation Age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

* Please note that not all benefits are preserved

Superannuation Contributions (Employed)

Salary Sacrifice

Salary sacrifice into superannuation is one of the simplest, yet most tax effective ways you can build wealth to assist you in achieving your lifestyle goals and objectives in retirement. Salary sacrifice simply means, instead of receiving part of your salary in cash you choose to invest it into your superannuation fund.

In doing so you can accumulate funds in superannuation where earnings are taxed at a maximum rate of 15% as opposed to your marginal rate of tax, which could be as high as 46.5%.

When correctly structured, salary sacrifice into superannuation can result in a reduction in taxable income, and therefore reduce the amount of personal income tax you pay in the year the Salary Sacrifice occurs.

The Government has imposed rigid limitations on tax concessional amounts that can be contributed to Superannuation. These contributions will be limited to $25,000 per annum for people aged below 50 years. If aged over 50 years you will be able to contribute a further amount of $25,000 allowing them to contribute up to $50,000per annum on the condition that the fund balance is less than $500,000.

Co – contributions

If you make after-tax contributions and earn an income as an employee, you may also receive a government co-contribution based on your income and how much you contribute.

If your total income is $31,920 or less, the maximum co-contribution is $1,000, based on $1.00 from the government for every $1 you contribute. Co-contributions reduce as your income increases, phasing out completely for total incomes of $61,920 or more.

If you're eligible, the Australian Taxation Office pays the co-contribution automatically into your fund, based on your tax return and information received from your fund.

In the 2010 budget the level of co-contribution was locked in at the above reduced rate for the next 2 years making it less attractive to make such contributions in future years. This will be reviewed after the 2012/13 financial year.

The Government also introduced a contribution for low income earners of up to $500 for people with incomes below $37,000 pa. The level of contribution by the government will be a function of income and total contributions made by employers or the individual but will be limited to $500 per annum.

Non Concessional Contributions (formerly Undeducted contributions)

Non Concessional contributions are contributions made to a super fund on an after tax basis (income tax has been paid). This type of contribution does not attract a contribution tax but future earnings will be taxed at a maximum rate of 15% in the fund. The current limits on making one off contributions to superannuation are set at $150,000 per annum, or alternatively, if you are under age 65 years you can add a one off amount of $450,000 on the condition that no further non concessional contributions are made for this and the following two financial years.

This form of contribution effectively brings forward the following two years.

Superannuation Contributions – Self Employed

Deductible contributions such as employer contributions or tax deductible contributions made by those who don't receive employer superannuation (e.g. self employed) will be capped at $25,000 a year from July 2009 if under age 50 years and will increase to $50,000 for individuals age 50 and over.

Account Based Pensions

One way of generating retirement income is by using your superannuation funds to commence an Account Based Pension. An Account based Pension provides regular tax-effective retirement income, as well as the opportunity to achieve tax-free capital growth and earnings on your investment.

It is designed to run down your capital over a period approximating your life expectancy (you receive regular income as long as you have funds in the account).

The advantages of using an Account Based Pension include:

- The ability to choose the size and frequency of your income payments each year with a certain minimum payment set by the government based upon your age and the balance held within your fund.
- Investment earnings which are tax free
- Part of your regular income payments may be tax free (if you are under age 60)
- An income tax offset of 15% may apply on the taxable component of your income payments for those people under age 60
- A tax free (exempt) income from age 60 on income payments and any lump sum withdrawals taken from the fund.
- You can withdraw some or all of your money at any time if you need it.
- You have the choice of a range of different investment portfolios and options to tailor your investments to your particular needs and risk profile.

Please note While the Account Based is invested across your choice of asset classes, the value of your investment can rise or fall over time. PAYG tax may apply on the taxable part of each income payment you receive and lump sum ETP tax may apply to any lump sum withdrawals, if funds are drawn between the age of 55 and 60 but all will be tax free after you turn 60 years.

Centrelink

Centrelink offers a range of services to help the broader community. These vary from receiving social security benefits (e.g. Newstart allowance for the unemployed) to making fortnightly payments for those that qualify for the age pension.

In order to be able to lodge a claim for payment you need to be an Australian Citizen or holder of a permanent visa and be living in Australia*. Most payments require you to have been an Australian resident for a period of time e.g. 2 years waiting period for Newstart Allowance and 10 years for Age Pension.

** There are exceptions to this rule.*

For more information please refer to the following Centrelink internet address (http://www.centrelink.gov.au/)

Insurance Cover

Please find below an overview of the types of personal insurance available in Australia:

Definitions and policy conditions vary from company to company and it is essential that you understand these definitions before agreeing to take any form of insurance cover.

Life Insurance

Life Insurance can be critical for a secure financial future. In simple terms, you insure yourself for a particular amount, and in the unfortunate event that you die, the insurer pays that amount to your nominated beneficiary.

The lump sum payment can be used to help with areas such as the repayment of debts, the payment of future costs, for example, the cost of children's education or long term care, and for investment to generate an income, or to keep a business operating.

Total and Permanent Disability Insurance

Total and Permanent Disability (TPD) insurance will provide a lump sum payment should you suffer an illness or injury which totally and permanently prevents you from working again.

Critical Illness Insurance

Critical Illness Cover or Trauma Insurance provides a lump sum benefit in the event that the life insured suffers a critical condition as defined by the insurance provider. Critical Illness Cover is designed to help you financially recover from a trauma or crisis, such as a heart attack, stroke, cancer or other life threatening conditions.

Income Protection Insurance

Income Protection (Salary Continuance) Insurance is designed to provide a regular income in the event that you are unable to work due to sickness or injury. Generally, Income Protection Insurance provides a regular income during a period of disablement up to a pre-determined and agreed benefit period. The benefit amount payable is up to 75% of your income (net business expenses before tax).

Health Insurance

All Australian citizens currently have a degree of medical cover through the Medicare system. Under Medicare the Government will cover your accommodation and medical expenses in a public hospital, however, you will not have your choice of doctors, and, where your condition is not life threatening, you may experience lengthy waiting periods.

Private Health Insurance gives you the opportunity to choose your doctor and hospital, and can ensure you avoid waiting periods for elective surgery. Depending on the policy, Private Health Insurance may also cover expenses relating to dental, physiotherapy, pharmacy and optical needs. To encourage the adoption of Private Health insurance, the Federal Government has also introduced a 30% health insurance rebate for those with incomes of less than $75,000 for a single person and combined income of $150,000 for families. Incomes above these limits will result in a reduced rebate. Once incomes exceed $120,000 for singles or $240,000 combined then no rebate will be payable. This rebate may be claimed in your taxation return or via a reduced premium.

Home Insurance

With the potential for burglaries and natural disasters, home insurance is imperative. Home Insurance alone covers your home from damage. You can also structure this type of insurance to protect the contents within and around your home. Considerable discounts may be gained by combining home and contents cover in this way.

Car Insurance

Cars are a luxury, whether they are leased or fully owned, with the retail value often substantially higher than the resale value. Each day, cars are involved in accidents or stolen. You can minimise the impact of such an event by taking out car insurance. Car Insurance is generally offered at a number of different levels; comprehensive, third party property damage, third party property damage, fire and theft.

Third party Property insurance essentially insures you if you damage someone else's car.

Unlike the UK, Comprehensive car insurance attaches to a vehicle and as long as the person driving the car has the permission of the owner to drive the vehicle then the comprehensive policy will cover the vehicles in the event of a claim being submitted.

Estate Planning

An effective Estate Plan includes tax effective Wills to protect your estate and the interests of your beneficiaries in the event of your death.

Jointly held assets, trust assets and superannuation however, are not necessarily dealt with by the terms of the Wills. These are usually considered 'non-estate' assets for estate planning purposes. It is therefore important to have a comprehensive Estate Plan to ensure that all assets are transferred in the most effective and efficient manner.

To meet your estate planning needs, we believe in utilising a specialist Estate Planning Service to devise an appropriate Will. This should also include the ability for the Executors of your Estate to establish testamentary trusts.

Outlined below are some factors to consider when developing your Estate Plan.

Wills

Your Will is the document that transfers the assets owned in your individual name to your nominated beneficiaries.

Most people wrongly believe that their Will covers all of their assets, so special care should be taken to ensure that the ownership and control of all of your assets, including 'non-estate' assets pass to beneficiaries in the way you intend.

Testamentary Trusts

A Testamentary Trust is a trust created pursuant to your Will and has several significant advantages for any current and future children and grandchildren.

Testamentary Trusts can help to distribute your estate to your beneficiaries in a more tax-effective manner and reduce the likelihood of a successful challenge to your Will.

A Testamentary Trust may also provide asset protection for beneficiaries of your estate who may face certain legal claims on their assets. However, if the establishment of the trust is done in contemplation of frustrating the claims of, for example, legitimate creditors, the courts may effectively unwind the arrangement.

Power of Attorney's - including Enduring Powers of Attorney

Granting a Power of Attorney means that you legally appoint a person or an organisation to make decisions, sign documents, and act on your behalf in various matters.

When you grant a Power of Attorney you may choose to limit the actions which the attorney can perform on your behalf (Limited Power of Attorney) or give the attorney wide powers to undertake actions on your behalf (General Power or Attorney).

You may wish to appoint a trustee company as your attorney, such as National Australia Trustees, either in conjunction with a family member or an alternative should the appointee be unable or unwilling to act. You may think this advisable particularly where your attorney will be dealing with your financial affairs.

An enduring Power of Attorney is an instrument that allows the appointed person to act on your behalf if you are medically unable or incapable of doing so yourself. It is normal practice for husbands and wives to appoint the other and then default down to the children.

BINDING DEATH NOMINATIONS on superannuation and pension funds.

When establishing a superannuation or pension fund in Australia it is an accepted practice that you may wish to protect a family member from potential estate challenges as well as precluding the pension fund assets from assessment from possible UK inheritance tax liability.
You can nominate direct family members as a beneficiary using a binding death nomination and effectively, upon your death, the fund assets will be paid in accordance with those wishes and instructions and will no longer form a part of your estate for UK inheritance tax purposes.
This is not a simple matter and is something that should be thoroughly researched as to how it will be treated in the UK before any such nomination is made.

Important Documents

R105 – For every bank account you have in the UK, you should complete an R105 form to notify them that all interest be paid gross of tax. Please refer to *www.hmrc.gov.uk* for more information.

BR19 – You need to complete this form (prior to departure) and send it to The Pension Service (DWP) in order to get a forecast of your State benefits accrued to date.

CA3638 – You will need to complete this form (not document BR19) should you wish to request a Retirement Pension Forecast once you are a resident in Australia.

NI38 – Should you wish to consider the options of paying NI Contributions from Australia and their benefits please refer to the following website: *www.hmrc.gov.uk/pdfs/nico/ni38.pdf*

FD2 – Should you be able to receive a UK pension (other than state pension), you should complete document FD2. For more information please refer to the following website: *www.ato.gov.au*.

NRL1 – Should you leave a rental property in the UK and as a result become a Non- Resident Landlord you should complete this form and submit it to HMRC prior to your departure. Please refer to *www.hmrc.gov.uk* for more information.

About Global Pension Transfers (GPT)

GPT was founded in 1995 shortly after the Australian rules were amended to allow UK pensions to be transferred to Australia.

GPT is a corporate authorised representative of Genesys Wealth Advisers. It is Australia's premier UK pension transfer specialist advice provider with affiliated offices throughout Australia.

Advice provided in the United Kingdom on behalf of GPT is by Global QROPS Ltd, which is authorised and regulated by the Financial Services Authority Number 499460.

Advice in Australia is provided by Global Pension Transfers Pty Ltd a member firm and corporate representative of Genesys Wealth Advisers Ltd ABN 20060778216, Australian Financial Services Licence no 232686

Internet Sites of Interest

UK websites

HM Revenue and Customs	*www.hmrc.gov.uk*
Financial Services Authority	*www.fsa.gov.uk*
British Embassy in Australia	*www.britaus.net*

Australian Websites

Medicare Australia	*www.medicareaustralia.gov.au/*
First Home Owners Grant	*www.firsthome.gov.au/*
Australian Securities and Commission	*www.asic.gov.au*
Foreign Investment Review Board	*www.firb.gov.au*
Australian Tax Office	*www.ato.gov.au*
Department of Immigration and Multicultural Affairs	*www.immi.gov.au*
Centrelink	*www.centrelink.gov.au*
Government of the Australian Capital Territory	*www.act.gov.au*
Government of New South Wales	*www.nsw.gov.au*
Government of Northern Territory	*www.nt.gov.au*
Government of Queensland	*www.qld.gov.au*
Government of South Australia	*www.sa.gov.au*
Government of Tasmania	*www.service.tas.gov.au*
Government of Victoria	*www.vic.gov.au*
Government of Western Australia	*www.wa.gov.au*
ANZ Bank	*www.anz.com*
Commonwealth Bank of Australia	*www.commbank.com.au*
National Australia Bank	*www.nab.com.au*
Westpac Bank	*www.westpac.com.au*

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