Hi – after 4 threads I'd just like to thank everybody who has been involved.

All of our issues have been solved by people here.

Summarised to help others in my situation.

Key Issues – Visa, Inheritance tax, Income tax, Healthcare.

Question – 57 + (French) wife and want to retire to France <67 with pension drawdown and 1 savings account – what are the tax implications? as we can manage it in the UK but do France/Spain have similar 'soft' rules on taxation of relatively low income? Comparison of a move to France vs Spain.

Solution – Since my wife is French, some of the comments in this thread aren't useful to a British couple (as Visa requirements are simpler for us). The optimal path for us is to buy a cheap house in the UK and rent for 90 days in Spain (to beat both the 90 day and 90/180 rules apply) each year (during Winter here). When we've discovered somewhere nice in Spain it's possible to buy and rent it out so we don't lose too much money when we're not in it. Renting in Spain does not compromise the S1 as it's considered passive income but any 'active' income in Spain will mean that the prospect of obtaining S1 is lost. The cost of living in France (most notably taxes) is too expensive until we're 67 and obtain S1 and are able to pay lower Social charges on a pension drawdown and a savings account. At that point we can move to Pau and oscillate between it as our main residence and Valencia during Winter. France has a remarkably generous tax-free gifting rule in place for one's children.

None 😊 of these plans were in place before the 4 threads I reference below.
I think it's evidence of what people can do when they talk.
All of this was worked out without any tax specialist, without any financial planner etc … …

--- Key posts below---

--- Source Expat forum---
https://www.expatforum.com/threads/a-thread-on-tax-for-simple-minded-people.1538789/
https://www.expatforum.com/threads/stay-in-spain-for-3-months-uk-and-eu-citizen-wife.1538909/?nup=15418932#nupNotice
--- Source British expats forum---
https://britishexpats.com/forum/france-76/thread-tax-simple-minded-people-950110/
https://britishexpats.com/forum/spain-75/stay-spain-3-months-uk-eu-citizen-wife-950189/

--- Key Points extracted from the 100 page document that arose from those 4 threads---

- I have a pension annuity that is paid in the Uk, although my savings I transferred to France at the time. You should complete this form and let HMRC know that you wish to be considered a tax resident in France and you shouldn't be taxed in the UK.
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/858806/DT_Ind_France_01_20.pdf

- There are three rules that determine if you are a French tax resident:

1. You have your main place of residence in France.
2. You conduct business (as an employee or a business person) in France.
3. Your primary "centers of interest" (mostly, but not exclusively financial centers of interest) are in France.
Meet any one of the 3 and you're a French resident for tax purposes.

- Normally, once you are retired and living off your pension, your contribution to the social insurances system (mainly the health care system) is free. (And for proof of your pension, you need to declare your pension- from wherever- on your annual tax declaration.) Depending on where your pension comes from, there usually are ways to avoid double taxation on the pension- by reporting the details on a second tax form for "foreign sourced income."

- For the savings, that is considered part of your "worldwide income" which also must be reported on your French declarations. And again, depending on the terms of the tax treaty France has with the UK, that income may be taxed, credited or exempted in full or in part. The good news is that you don't have to do the calculations- just report stuff in the right boxes and the Fisc calculates the amount you do or don't owe.

- (And there probably will be "cotisations"- the "social charges" you mention- on that sort of passive income.)

- There isn't an "allowance" like there is in the UK. But there is a 0% tax bracket that sort of serves the same function. Except you still have to file a declaration even if you owe 0 tax. (The tax assessment document is used here for a number of purposes to prove your household income via a calculated number called your "reference income" that adds back some of the deductions and adjustments to yield something resembling available income.)

- The Fisc publishes the "tax brackets" every year- but don't take them literally. Income is taxed by household, not by individual. So basically, your household income is divided by the number of "parts" in your household. For a retired couple like yourselves you get 2 "parts." Figure the tax using the published tax brackets for one-half your total household taxable income, and then double the tax figure you get. (They use a different way to calculate it on your tax assessment, but it works out the same.)

- There are some assorted credits and deductions to figure in from time to time, but don't worry about those until you get here. They are usually well publicized at tax time. And, the biggest "surprise" of all: you can always take an appointment with your local tax office to help you with your declaration, or to explain your tax assessment and if they (or you) have made a mistake that costs you extra taxes, the Fisc is usually pretty good about fixing things pretty promptly.

- Try this guide. I find it very clear and accurate....
French Taxes : Liability to Income Tax in France

- Ahhhh - a nice simple page - does this make sense?
I'm retired. What taxes do I pay?

- Taxe foncière

Yes, you pay this as you are the owner of the house.
Taxe d'habitation
Yes, you pay this as you live in the house (subject to low income exemptions).
French Income Tax
Yes, you should pay this on all of your combined world income, ie. both the BA pension and the state pension
UK Income Tax
No, you should not be paying this as you are not a UK fiscal resident and are assessable in France as a French fiscal resident
French social charges
No, you should not be paying these on your pension, if you have joined the French health service using your UK E121 certificate.
But yes, you should be paying this on investment income from non-exempt accounts (exempt accounts being the Livret A and the LDD - Livret de développement durable.)
French Wealth Tax
No, you should not pay this if the value of your world assets is below €790,000. There are allowances in the first five years of fiscal residency, and on your home.

- Healthcare --- Read the guide - it is all there. This is the bit on healthcare......
French Health : Health Care in France

- Social charges are a little bit tricky here in France.

- There is something called "cotisations" (which often translates as "social charges") that refers to the social charges you pay as part of employment here in France. That shouldn't affect you if you retire here.

- Then there are the "social charges" that you pay on "passive income" - mostly investment income, bank interest or other sources that don't involve a pay check or other regular payment of taxes and "payroll taxes". The French pay it on interest and investment income. And depending on the tax treaty between France and the country you draw your income from, you may have to pay some. It's not really "social charges" per se, but rather a sort of surtax that was originally supposed to help pay down the massive debt that had been run up in the various social insurances. (It was also supposed to expire after 14 years, but somehow never did.)

- But, when you go to apply for your long-stay visa to come to France, you will have to show adequate "financial resources" (i.e. income) to be able to live in France without requiring state aid. For "retirees" (usually referred to as "inactif" because they aren't in employment) this is where having a regular pansion comes in. If you are planning on some sort of pension fund that you will draw down, you may want to consider taking regular (monthly or quarterly) withdrawals you can point to as your "regular pension." The French don't really want to see retirees draining their savings to live in France. If the interest payments on your savings are adequate to support you on a day to day basis, that might work. But whether you keep your savings and/or pension payments in the UK or not, you will still need to declare them as part of your "worldwide income" on your French tax declarations.

- If your wife wants a donkey, let her start by getting familiar with the organization ADADA, which maintains a donkey sanctuary in Ambert. You can adopt a donkey from the refuge or volunteer at the refuge or just become a member and support the association.
ADADA - Association nationale Des Amis Des Ânes

- The first thing you really need to do is to double check that you can both get a Visa to move to France(unless you have an EU passport) and that your income is roughly equivalent to the French minimum wage(SMIC) which is the amount that the French authorities generally look for in order to grant a Visa In Jan 23 this go up to€ 20,203 before tax.

- And don't forget the high cost of labour in France. Especially if you buy a home that requires a lot of work, bearing in mind that France has a lot of regulations around what work you can do yourself and standards required are very, very different to those in the UK.

- One possible issue is that with an income lower than the SMIC, you won't be able to get a standard rental whilst you are looking for a place to purchase.

- Does this sound right? I'll edit it so it's correct for others to use.

<u>Summarising</u> retirement in France (from UK) at the *age of 57 with a wife that is French.*

1. Visa requirements and Income requirements (we won't have as much as the SMIC x 2 as an income) hopefully won't apply since my wife is French.

2. If we're above 55 then we can apply for a 25% tax free lump from our pension whilst in the UK but take in the UK to avoid paying tax in eg France.

3. It's not great to take an annuity (an income from our pension pot) when this 'young' as the payout will be far less. However it's very difficult indeed to organise an annuity starting when in a country other than the UK (where the annuity is held) – due to ... ...

4. It's possible to obtain a 'pension drawdown' (which is the term financial people use to mean taking the cash out from our pension pot) but every penny that's taken after the 25% tax-free sum is taxed as income tax in the place we're living (for >183 days each year). No additional charge is levied for each draw down ie the pension pot people don't charge 12 times if we draw down monthly.

5. We can keep our UK savings in the UK or transfer it to France and there're lots of Internet banks which have a 100k Euro protection in case of financial system meltdown similar to the £85k limit in the UK. There's a form we need to fill out to ensure that we aren't taxed in the UK and we have to fill a form out in France to declare the source and income we're getting from the UK in order to pay tax on it in France. So France needs to know what our pension pot and savings pot are as well as how much income we're getting from them.

6. France has 3 tax-free places to place cash – one's called the Livret A – and I think we can place $40k Euros in their total, not per year.

7. We will pay income tax in our country of residence (so France in the case I'm describing) on the interest from any savings we have.

8. If the 'pension drawdown' + interest on our savings = £10k as an example – then we have to pay a Social charge which means that 70% of our medical expenses are covered – so let's assume the £10k drops to £9k.
We have to pay into a Mutuelle if we want the other 30% of our medical costs to be paid.

9. We then pay tax on that £9k and so there's none payable as it's in the 0% bracket in France.

10. When we’re 67 we can get form S1 and then no longer need to pay Social charges as Healthcare is covered by S1.

11. Upon hitting 67, the UK pension will be counted as income in France and so using the above example – we have £10k incoming + £10k from a UK State pension so a portion of that £20k will be subject to tax as it’s above the 0% tax bracket in France.

12. These are the taxes we have to pay:
a-Taxe foncière
paid as owner of the house - the smaller the house the cheaper this tax
b-Taxe d'habitation
paid if live in a house - this is being phased out?
c-French Income Tax
Covered above - payable
d-UK Income Tax
Covered above - not payable after filling out a form
e-French social charges
Covered above
f-French Wealth Tax
Covered below

--- Tax brackets ---

- Up to €10,777: 0% tax rate.
- From €10,778 to €27,478: 11% tax rate.
- From €27,479 to €78,570: 30% tax rate.

The only bits I don’t understand are what we get for the Social Charges we pay?
-- If we enter France at 57 and pay Social Charges to 67 – does that mean a ¼ eligibility to the French state pension?
-- If there are any super simple schemes like the ISA in France that permit tax-free housing of cash like a Cash ISA?
-- Is the wealth tax based on the cost of the house in France + savings pot + pension pot
-- We're thinking of getting a cheap hut in the middle of nowhere in Spain for when it's cold in France - this'd be classed as a second home I guess - is this possible without being pounded by the taxman as we'll not bother if it's too expensive. We're going after 2 off-grid houses to minimize all of the many other charges that're (water, elec, gas, phone, internet) required beyond all of the taxes.

- The only bits I don’t understand are what we get for the Social Charges we pay?
If you are paying "social charges" on your passive income, you basically get nothing for that. They aren't really social charges as you think of them. Just a contribution toward paying down the national debt.

-- If we enter France at 57 and pay Social Charges to 67 – does that mean a ¼ eligibility to the French state pension?

No. The "social charges" don't include anything related to French pension in any event.

-- If there are any super simple schemes like the ISA in France that permit tax-free housing of cash like a Cash ISA?

Again, no. The closest thing is to put your money into an "assurance vie" (which, despite the name, is actually a sort of savings arrangement - though it will pay out on the death of the contract holder). If you leave your money in there for 8 years, then you'll only be taxed (and at a preferential flat rate under certain conditions) on the interest earned on the account, not on the money you put in initially.

-- Is the wealth tax based on the cost of the house in France + savings pot + pension pot

You are only bothered with the wealth tax if you own over €1.3 million in real estate (i.e. property). Savings and jewels or other flash assets aren't included.

- You may want to ask in the Spain forum what the taxes are there on 2nd homes owned by foreigners (or those resident outside of Spain). Be careful about the idea of being completely off the grid, as you ultimately need some sort of utility bill as "proof of residence" in France. And, they require you to report your taxes online for the most part.

- Also the taxe d'hab is not payable by the home owner if they are living in the house. (On a second home, it may depend on whether or not the house is occupied as of January 1st of each year.)

- And, on the taxe foncière, the tax is based on a locally calculated "rental value" of the property, derived from the surface area of the home plus certain "conveniences." The amount can vary wildly from one town or commune to the next based on the local budgets and services.

- Spain

It will always be 3-5 degrees colder once you get as little as 5km inland, I live 4km inland right down in the South of Spain and it is here- correspondingly, the same amount hotter in the summer. The difference will be more if the inland areas are at higher altitude. In Granada, in the coming week their minimum overnight temperature will be-3/-2 on 3 nights, whereas ours here will be 8C, a big difference. In Seville, which is not at high altitude, but further inland, their overnight minimums this week will be between 2 and 4C so still quite a lot lower.

- For the non resident property tax (well actually, it's a second home tax as Spanish second home owners also have to pay it) if an EU citizen it is 19% of 2% of the value of the property instead of 24% so a bit cheaper. Be wary of thinking of it in terms of the purchase price, though. There is an "official" value based on the catastral value (like the old rateable value in the UK) plus a municipal co-efficient which is different from area to area (so I could not tell you how much that is likely to be, you would need to check with an estate agent or the local town hall). You pay transfer tax when you buy the property (can vary between regions, in Valencia it is 10% I believe) and if the Spanish tax authority thinks you have paid below the official value they send you a bill for the difference between what you paid and what they deem to be due. It's called complementary transfer tax, you can Google it.

- As a rule of thumb, IBI bills are higher in urban areas where there are more amenities, but it is very hard to say as it varies between different local authorities and properties are not within set bands as they are for Council Tax in the UK. I would be surprised if a small rural property had an IBI bill of more than €150 a year, however, but it depends on how much land it comes with as well. Mine, in a large town, for a 2 bed ático (top floor apartment) is €432 now, it has been reduced by 3% in each of the last 3 years. We don't have a separate basura charge in my municipality, but a lot do.

- Spain Property Taxes

- IBI tax €400 per year
- Basura Tax (Rubbish Collection Tax) €80 to €130 per year.
- IRNR Non-resident income tax (Impuesto sobre la Renta de No Residentes): If the cadastral value of your home were 100,000 euro- 247.50 euro per year.

- So ... ... disovered that all of the 'tax free' savings accounts in France (listed on the page below like the Livret A) are Tax and Social charges free.
'French Bank Savings Accounts- Livret A- Livret Populaire'

- I understand the confusion that can arise in this matter. Many individuals receive pension income through “drawdown” arrangements, such as a UK SIPP (Self-Invested Personal Pension). However, it’s important to recognise that this represents a pool of invested funds, and any withdrawals made should not be classified as regular income. Instead, they must be declared as pension income, following the applicable regulations.

- after 67 (with S1)

- UK state pension + annuity + Personal pension drawdown- no Social charge payable
- Saving's interest- 7.5% Social charge payable

- For most types of investments, the 30% tax will be withheld automatically each year anyhow. So the balance you show at the end of the year in your bank (or other) account has already had the taxes taken out. (If you have the money in a French bank, at least.)

- In your situation, the main thing you will need to do is to learn how to report your various sources of income properly on your French tax declarations. And for that, you can go right to the local tax office and have them show you how to do it. (They, at least, don't work on a commission basis.) And if you (or they) make a mistake that costs you taxes you don't owe, they are actually quite good about going through your declaration with you and will refund the over payment pretty promptly. (Have done this at least twice in the last several years.)

- And just be aware that the tax rules change every year. So don't try to parse this year's tax law too fine because next year there will be new "incentives" and variations to contend with, or rates will change.

- Source Jan 2023
The Blevins Franks Guide To Taxes In France

What are social charges?
Are these like National Insurance Contributions?

Social charges in France have nothing to do with social security; they are an income tax by another name, payable on all forms of income.

Social charges are payable at a rate of 17.2% on all investment income, such as interest, dividends and rental income, and also on capital gains.

A lower rate of 9.7% is payable on employment and self-employment income (this is the only income that is subject to French social security contributions – the French equivalent of UK National Insurance Contributions), and finally, 7.4% or 9.1% on pension income, depending on the level of income. Many UK nationals in receipt of pension income who have not yet reached UK state pension age when they move to France can be caught by this.

- I'm in the midst of trying to close out a "pension account" so that I can transfer it over here to an assurance vie (which is actually a savings account for tax purposes, but with certain tax benefits).

- What distinguishes between a "pension fund" and a "savings fund" seems to be whether or not the contributions you made to the fund over the course of your working life were tax deductible or not. That's the difference between whether or not you'll be charged full income tax rates on any and all withdrawals from the fund. (And have to declare the withdrawals as pension income if you are residing in France when you take those withdrawals.)

- Assurance Vie | Tax efficient investment for Expats in France | Blacktower
An assurance vie is a tax efficient investment product (similar to an ISA) which should be considered if you intend to live in France as expat for a long time (over 8 years).

- Um, no - the "social charges" tax is charged only on the interest/earnings part of the fund if the Fisc considers that your fund is a savings account. And in that case, you're charged both income tax and the social charges each year (once you're a French resident). If you're getting a pension, then you're paying tax on the amount of pension you receive from the fund each year plus potentially some amount of social charges on the amount. (Varies by the tax treaty involved.)

- Hi SB- please don't overlook researching France's Inheritance Tax law. We were surprised about the 45% hit for heirs. Good luck on your move!

- There is also lots of information available on the Fisc's website - though mainly in French for what you're interested in. Still, the Fisc website has a fairly large and growing English language section, though it can be a little tricky to wade through as it is sometimes directed mainly at non-residents subject to French taxes.

International (EN)

- I think Helen said at least in Strasbourg that it's easy to find a job.

- Not sure if this helps or not, but this at least comes from the French government:

https://www.service-public.fr/particuliers/actualites/A15517?lang=en

It looks like they don't have similar information for expats living in France as retirees, because of the variations among the various tax treaties.

- Spain- In the aftermath of the global financial crash of 2008 the starting rate of income tax was raised from 19% to 24% and some additional taxes were introduced (eg a 5% tax on electricity consumption in addition to the 21% VAT charged on domestic energy bills). Several years later the starting rate of tax was reduced back to 19% but the 5% electricity tax remained in force, this has been reduced to 0.5% during the present cost of living crisis but will be reintroduced as soon as the Government decides it can get away with it. Lottery winnings began to be taxed at 20% (witheld at source) although this now applies only to prizes over €25k.

- The personal tax free allowance is far lower in Spain than in the UK and has not been increased in all the years we have lived here. For anyone aged under 65 it is just €5,500 per year plus a further €2,000 for general expenses. This rises to €6,700 for those aged 65-74 and €8,100 for those aged 75 or over. Higher rates of income tax kick in at a much lower income level than the higher rate of tax does in the UK. As a result, I now pay double the amount of income tax than I would pay if I still lived in the UK (although this is offset by much lower Council Tax, energy bills, cost of public transport, eating out, and most services such as household renovations, hairdressing, etc).

- However, in 2014 the Government introduced a low income allowance which has been progressively increased in recent years and now means that people with an income from work or pensions of up to €15k per year pay no income tax (this tapers away gradually until those whose income exceeds €21k receive none of this allowance so only have the basic one to offset against their income). I benefited from the low income allowance when I only had my occupational pensions but once my state pension kicked in I lost all of that hence why my tax bill is now so high.

- If you move to Spain below UK state retirement age you would not have to pay the French social charges- but in order to get a non lucrative visa you would need to be able to prove a minimum income which for this year is €34k for a couple (set at 4 x IPREM for the first applicant plus 1 x IPREM for their spouse). This increases every year in line with the IPREM figure. We could not have met those income requirements had they existed when we were wanting to move to Spain under the normal retirement age (although of course they alwlays existed for third country nationals). You would also need to have comprehensive private healthcare with no co.payments or exclusions for pre existing conditions for at least your first year of residence.

- After being legally resident for a minimum of one year it is possible to obtain public healthcare cover by paying contributions to what is called the Convenio Especial. This currently costs €60 per person per month for those aged under 65. It covers all pre existing conditions but it does not cover the cost of any medications which must be paid for in full, which can potentially be quite costly. For those aged 65 or over the cost is €157 per person per month and as UK state pension age is now 66, soon to rise to 67 I believe, you would not be able to get an S1 from the UK to cover your public healthcare until then so the cost of the Convenio Especial for those 2 years would be quite high. For people with pre existing conditions it can result in a Catch 22 situation because they find it impossible to get private health insurance which meets the requirement for a visa to cover that first year of residence.

- Wow! £60 per month for healthcare is soooooo much cheaper than France!

- as your wife is a French citizen and you could get a residence certificate as the family member of an EU citizen, you would not be subject to the €34k per year income requirement. There is still a requirement for EU citizens to demonstrate that they have sufficient financial resources not to become a burden on the state but unfortunately that is not laid down as a minimum amount in the regulations (see link below) therefore can be subject to varying interpretations by individual officials (as can many things in Spain, to be honest).
[How much money do you need in the bank for EU residency application? – Upsticks Spain]

- And you would still need the comprehensive private health insurance with no co-payments or exclusions for at least the first year before you could access public healthcare by paying into the Convenio Especial.

- Ameli is the portal for the health care system. In France when people refer to "sécurité social" they are usually referring to the health care stuff. But as mentioned (several times) above in this thread, what you refer to as "social charges" are NOT really related to the social insurances other than very indirectly. They are taxes that even the US IRS now recognizes as "equivalent to income taxes." (Yes, there is a long story there, but I won't bore you with it.)

- Have you taken a look yet at the France-UK tax treaty yet?
https://uk.ambafrance.org/IMG/pdf_Convention_ID_1968_English.pdf?2778/
Articles 18 and 19 is where they talk about pensions and who gets to tax which kind of pension.

- I think you've sussed it with your statement about the term "draw down." This term is meaningless (and therefore pretty much unknown) in the French tax system.

- A "pension" is an amount of money received regularly based on your prior service (work) in either a public organization or a private business. For a pot of money that you are "drawing down" it must be recognized (usually in the tax treaty) as a pension fund, possibly as a government authorized pension instrument, like the IRA or 401K funds in the US (which are specified as such in the US-France tax treaty). The "kicker" in that is that if you close out the fund, say to transfer it to other investments, you pay full income taxes to the source country on the amount of the withdrawal when it is made. (It is not considered "capital" but rather current income for tax purposes.) The tricky part here is that the UK insists on retaining the right to tax certain types of pensions sourced in the UK but paid to residents of other countries (like France or Spain or wherever else). This is actually the standard arrangement in many tax treaties- the country paying the pension retains all rights to tax it as they see fit.

- As far as I can tell, there isn't really any notion of "lump sum payout" of a pension fund in French tax law. You can convert a pension fund to an annuity, but that is an irrevocable choice and the monthly or annual payouts from the annuity become your "pension" and are taxed in their entirety like a regular pension payment would be (i.e. without regard to "capital" vs. "earnings"). The big gotcha in this approach is that, if you convert your pension fund to an annuity in France, and you die the next day, that's it. You (or rather your heirs) don't get any refund of the initial amount you put into the annuity. (You can, of course, get the annuity set up to pay out to both you and your spouse, until the death of the surviving spouse. But no further than that.)

- one of the strange things I've found along the lines of your comment - is that you're right - in the UK on a UK pension - if we withdraw the entire pot then we have to pay tax - which means we've just gotten pretty much what we've put in - but if we transfer the lump sum (so in effect take it out) into France for conversion into a French vehicle - then only 7.5% rather than 25% tax is payable. It's called a loophole on various sites; I remain wholly bemused through this entire exercise.

https://www.blevinsfranks.com/moving-to-france-tax-efficiently/

- If you take the money out of your "retirement fund" while you're still resident in the UK, you only have to meet the UK tax requirements. What you do with the money once you have moved to France won't really matter. It will be considered "capital." It can be difficult to impossible to set up a "retirement vehicle" in France once you're past a certain age, or using capital rather than funds from employment. Something like an assurance vie requires that the funds remain invested for a period of 8 years in order to benefit from the tax advantages on offer. Make sure you know the French tax rules about whatever vehicle you transfer your funds into.

- Things unravelling - Social charges are additionally payable on income, generally 9.7% for employment income; 9.1% for pension income, and 17.2% for investment income. Retirees with Form S1 escape social charges on pensions and pay a lower 7.5% rate on investment income. A reduced rate of 7.4% may apply to pension income for those with low incomes.
That means that on my original question savings are taxed less when >67! One of the questions very definitely ticked off- just have to last till 67 .

- Please can I ask if anybody knows what we need to do to stay in Spain for >90 days consecutively?
I believe that UK and French citizens are only allowed 90 days in Spain in a rolling 180 day period.
Our goal is to stay in Spain from October through February each year (the cold months in the UK!).
I think that the answer to the question is that we need to get a 'Non-lucrative Visa' which I think costs E80 in our case and we have to buy a new one each year?
I think that the Visa requires proof of 'wealth' and also proof of healthcare (does anybody know if EHIC/GHIC counts?)?

- If one of you has a EU passport then the other can move to Spain.
There is information within this thread about Non EU and Eu passport couple moving to Spain.

https://www.expatforum.com/threads/american-married-to-eu-citizen-residency-application.1538195/

- With one of you an EU passport holder your goal of spending October through February each year is perfectly doable so long as you travel and stay in Spain together, that will override the 90 day rule which the UK passport holder would normally have to observe but spend over 180 days in the country and you both automatically become tax resident.

- EHIC's/GHIC's are purely for emergency treatment for visitors and count for nothing in terms of visas, moving to Spain on an NLV would nullify them completely.

- Yes the tax burden in Spain can be greater than in UK, and France but not to the extent you suggest and you seem to be forgetting that the cost of living in Spain is a fair bit cheaper which goes towards evening things up or even putting you on the + side.

No, I don't get that bit, either. I pay double the amount of income tax in Spain than I would in the UK on the same income, but it doesn't mean I am any worse off overall.

- As he said he plans to live off drawdown withdrawals from pension funds to finance early retirement, if he and his wife kept those to below €15k each per year, then they would not pay any tax in Spain.

- What is the tax free allowance for pensioners in Spain?
If you're a Spanish tax resident, you're eligible for a personal allowance on your Spanish income tax. This includes income from savings and other general sources.
Pensioners receive a higher personal allowance. Those aged 65 to 74 are entitled to an allowance of €6,700 annually. If you're over 75, this allowance increases to €8,100.
What is the Spanish Tax Rate for Pensioners?
In Spain, pensions are considered income and are taxed accordingly. The tax rates for pensions align with standard income tax rates, which currently range from 19% to 47%.

[Expert's Guide to Spanish Tax Rates for Pensioners]

- It looks to me €6,700 is tax free and you pay tax thereafter, at the standard income tax rates, or have I got it wrong?

- 19% for the first EUR 6,000 of taxable income.
- 21% for the following EUR 6,000 to EUR 50,000 of taxable income.
- 23% for the following EUR 50,000 to EUR 200,000 of taxable income.
- 27% for the following EUR 200,000 to EUR 300,000 of taxable income.
- 28% for any amounts over EUR 300,000.

- What you have posted isn't wrong, but it is incomplete information. In addition to the basic personal allowance (and for the OP who is considering early retirment at age 57 so would be entitled to a personal allowance of €5,550 not €6,700) there is also an additional €2,000 allowance for general expenses which everyone with income from work (and that includes pension income) gets. But there is also the low income allowance (first introduced by the Rajoy PP Government and substantially increased in more recent years under Sánchez and the PSOE) which means that anybody with an income below €15k pays no income tax. That allowance tapers away gradually for incomes over that amount, until those whose income is €21k or above don't receive any of it. I benefited from it when I was between 60 and 66 and only receiving my occupational pensions, but when I started to receive my UK state pension as well it put me over the threshold so now I only have the €6,700 personal allowance plus the €2k .
[Rebaja de impuestos del Gobierno | Los trabajadores que no pagarán IRPF con la nueva rebaja fiscal | Las Provincias]
[Qué es la reducción por rendimientos del trabajo y a quiénes afecta | Onda Cero Radio]
This low income allowance is almost never mentioned in online information about tax from legal and accountancy firms, I don't know why unless they think all their clients are too wealthy to benefit from it!
This is one I managed to find that includes both the €2k general allowance and the low income one.
[TAX-TABLES-FOR-SPAIN-2022.pdf (spenceclarke.com)]
And here's the official information from the AEAT website about the increased low income allowance (also should note that in order to benefit from this a taxpayer must not have income from sources other than work- including pensions- of €6,500 or over).
[Agencia Tributaria: Novedades de normativa 2023- Principales novedades tributarias introducidas por la Ley 31/2022, ...]
If you do your own tax returns online, and enter your income figure from work or pensions, then the

AEAT Renta Web programme automatically allocates the allowances you are entitled to. There's a simulator on their website you can use to see what your liability would be without completing an actual return, but it won't have been updated for this year's returns yet.

- If you are worried about Spanish taxes read this.
Personal income tax - Taxation - Work and retirement - Citizens - Your rights and obligations in the EU - Tu espacio europeo - Punto de Acceso General
Information on categories of taxpayer, when a natural person is resident in Spain, how to prove that you are a non-resident, residency in two countries, taxation and income tax returns, special category for workers posted to Spain, specific optional procedures in respect of withholding taxes in...

administracion.gob.es and this.
https://sede.agenciatributaria.gob.es/Sede/en_gb/no-residentes/irnr-sin-establecimiento-permanente.html

- Something I don't think has been mentioned either here or in on the other forum is Spain's Convenio Especial scheme. After the first 12 months with private health cover for a monthly fee you can join this scheme which gives you exactly the same cover as the state system.
Up age 65 that is €65/mth beyond which it rises to €157. The one thing not covered is the cost of medicines which are at your cost completely.

- Your French wife is allowed up to 90 days without registering with the local council (padrón) and national police (residencia). This is not the same as the 90/180 day limit, the theory goes she could hop across the border for a day then return and start a new 90-day countdown if she were following the rules down to the letter, although proving it later might be difficult if it's a land border.
You can accompany her as her spouse and there's no 90/180 day limit when accompanying EU family members. If you do this for a stay up to 90 days then you would just need to show the marriage certificate at the border with her on the way in and the way out. It's better if the certificate has the Hague Apostille attached and even better if it's also officially translated into Spanish. Unless it's a French marriage certificate in multi-language format.
For stays over 90 days, she would need to register at the local council and police and, once she is registered, you would have to too as an EU family member. You would need to prove you're married with a marriage certificate with a Hague Apostille attached and it *must* be officially translated into Spanish (unless it's a French multi-language marriage certificate). If she's not working, set up as freelance, or studying then she would need to prove financial means.
Then you both deregister just before leaving and when she returns to the UK she can continue residency with pre-settled or settled status.

- I may have missed something though I could understand if to avoid registering, in theory, she left for a day and came back in for another 90 days, on SB UK entering the second time he'd have to show the marriage certificate. Does that sound about right? He could miss out on the first entry showing it?

- Non lucrative4 visas are residency visas so you will be deemed as tax resident. If you do not spend morethan 183 days in Spain and do not pay tax, it may preclude you from renewing the visa for the following year. An EHIC is not a substitute for the requirement for full medical insurance and, yes, you have to prove that you have adequate financial resources.

- The health cards provide adequate cover for tourists - which is effectively what you are. It’s just that they are not acceptable for visa applications. If you need medical treatment they will enable you to use the Spanish health service when you need to.

- You can forget about visas and residency requirements because you say you don't want to become resident. All you need to do there is ensure you spend less than 180 days in Spain.
You can forget about 90/180 **as long as** you accompany your EU wife, and have with you proof that she is your wife in case you're asked. As long as you're accompanying an EU spouse, you can piggyback on her Freedom of Movements rights.
Your wife's FoM rights, which you can piggyback on as above, allow her to spend as long as she likes in Schengen but limit her to 90 days consecutive in any one EU state. Normally an EU citizen wouldn't worry much about this but with a non EU spouse in tow it would be wise to eg nip over the border from Spain to France for a couple of days before the 90 days in Spain are up, and make sure you have a papertrail - French hotel bill, French motorway tolls, French fuel receipts, cash withdrawals in France, whatever. Then back to Spain for as long as you can stay without going past your 180 days.
It's as simple as that, or am I missing something?
You might occasionally have to argue the toss with a border guard but with her French passport and your UK passport and your marriage certificate, you're in the clear.

- That is exactly what EHICs and GHIcs are for.
You're UK residents visiting Spain. Have you ever been quizzed on health insurance when you've gone on holiday to Europe ? Have you ever worried about all this before? Probably not, so why start now?
All you are doing is going on holiday to Spain. The fact that in the future you'll own property there makes it all seem different to you, but in fact it makes no practical difference, you are still UK residents visiting Spain.
Although it's always wise to also have travel insurance because EHIcs and GHIcs don't cover everything.

- So no matter what you do you will pay tax...If your combined earing are over €12,000
Our combined 'allowance' is €8950 so every year I pay €664.81 on the income to €12,449.. Thats at 19%
The next tax band is 24% and is on every Euro from 12,500 to 20,200
So if you only 'earn' €20,200 you will then pay another €1859,76 tax.
Gives you a total to pay €2514.57 but you get to pay it in two hits 60% in May and 40% in November...
Now if you both only take below €12,449 then technically you wont pay any tax, but dont quote me on that....and you will need to file as individuals as well.

- I dont think the GHIC or the EHIC will cover you as its for emergency treatment only, if you go to a normal health centre they will ask for proof of cover. Our local one refuses the GHIC unless its for emergencies. so you will end up paying. You would need 'holiday' insurance at least. You will pay for any medicines prescribed as well here.

- Anyway if you have no health issue the sum of 600 a month is well wrong. We pay €1820 for the year for the two of us for full private cover...
Alternatively there is the Convenio (a way to pay into Spains healthcare) thats less than €70 a month each (but during 65-67 it doubles) then you get the S1.

- Dont forget if you move here as residents and are below the retirement age you can no longer use the NHS back in the UK, even if you go on holiday to see family....

- Just remember that GHIC's don't cover repatriation so it's always recommended that you have holiday insurance as well.

- France has adopted the EU FoM rules of course, including the 90 day limit but it has not set up any mechanism for enforcing it. Simply, if an EU citizen overstays, then they have no rights in France because they've gone outside of the rules that were designed to protect them, so France can say Sorry mate, we have no obligations towards you because you shouldn't still be here. Though why would an EU citizen need any help from France if they've maintained their rights in another EU state. It's no skin off anybody's nose either way and I don't suppose France cares how long EU citizens stay in their territory as long as they don't cause any trouble or cost France anything. And that being the case, why bother trying to monitor who comes and goes across open borders.

- SB_UK, Eurotrash has given you some excellent advice but you really need to write to Europe Direct for confirmation. You should outline your precise circumstances and go into details it would be unwise to share on here. Tell them exactly what you want to do and then print out their reply and take it with you when you travel along with your marriage certificate. You must always go to a manual booth with your wife at borders and explain your situation. As the partner of an EU national, you have freedom of movement as long as you travel with them but you will have your passport stamped on entry and exit.

- If you constantly worry about tax and how to legally avoid paying so much etc by trying to spend your life moving from various countries you are never going to enjoy anything. Eventually every little expense will start to niggle away at you as you devise ways to reduce it. Spain is not really any better than UK. Eventually you will find things in Spain that will torment you- and to be honest as a foreigner with little of the language you will be more likely to have no idea what is happening than you would in UK. Spain has a huge amount of social and economic woes that many expats are blissfully unaware of. If you are able to integrate well you will eventually see why most professional spanish persons would love to live and work in UK.

- Firstly there's no guaranteed right of entry for non-EU citizens so a border guard who got out of bed the wrong side that day could quiz you on where you're staying, financial means, return travel and not be happy with the answers whereas with an EU citizen spouse you're gu- aranteed to get in.

- Secondly to justify previous apparent overstays in the passport and not get pulled up on a visit which would take you over the 90/180 day limit. Once it looks like the non-EU partner has overstayed in the passport then I guess they will have to carry that marriage certificate every time they visit the EU, even if travelling alone.
- Thirdly it's probably best to enter and leave a country using the same documentation.

- If there are separate stays below 90 days there's no need to register for anything, both stays are treated individually and you're treated the same as any other tourist. If you'd like a link to something official then this link deals with stays and residency. The section is "Estancia inferior a tres meses" (stays under three months), you can put the text through Google translate or DeepL.

- As for border hopping around your wife's 90 day limit, it may be difficult to prove if you cross a land border, but then again it's probably not high on Spain's list of policing priorities either.

- There's no need for travel insurance or private health insurance unless you want it to cover

something social security doesn't, the EHIC/GHIC is enough for tourists in Spain as Spanish healthcare is free at the point of use. If either of you are on a regular prescription then I don't know how that works though, maybe someone else in the forum does.
Your wife in any case would have to get UK travel/private health insurance as that's where she's resident. She also would have to get the UK GHIC, not the French EHIC, again because she's resident in the UK.

- You will need to applyfor a long stay visa to enter France and meet any income requirements for that visa.
If you are taking tax-free cash then this would be taxable if you are tax resident in France.
Therefore, you should take this before you are tax resident in France.
The best way to use "flexible drawdown" is to withdraw less (or equal to) the growth in the fund
For example, if you have a "moderate risk" fund which grows on average 7% a year then withdrawing 5% a year would be appropriate.
The income would be taxed in France.
You are required to complete a tax return every year in France.
This is normally per couple (household) and you declare UK State pension or Government pension as overseas income. These are not taxed in France.
Tax and pensions are a very complicated area especially if you live outwith the UK.
You need to get professional financial advice and to understand the visa requirements for moving to France.
You would be advised to have a "Mutuelle" health insurance to cover the 30% which is not covered by the French healthcare system. This is a menu driven insurance depending on your requirements.
If you are intending buying a house in France then you may want to considering renting instead.
This is common in France and many people prefer to rent rather than buy.
Home ownership in France is not an investment as it is in the UK.

- If you get an S1, you won’t be liable for prélèvements sociaux on your pension income.

- I confess I do find the whole area of tax and social charges in France fiendishly complicated. Not helped by the fact that local tax offices seem to treat identical situations differently.
If you’re determined to come, and are having trouble getting your head around the tax rules, maybe use a professional who is well versed in the tax treaty between France and the UK. A former colleague uses Fiscaly to do his tax return and is happy with them.
Could save you a few headaches.

- Do as Cyrian says and take your lump sum and get your annuity up and running before you move to France.
My other tip would be to open a few savings accounts in the UK before you leave. Because you will find it very difficult if not impossible to open new bank accounts, including with the same institution, once you’ve left.

- It just occurred to me that if you’re not yet drawing your UK state pension you won’t be able to get an S1 and will therefore be liable to prélèvements sociaux on your foreign-source, ie non-French pensions.
Having a French wife will make everything MUCH easier. You’ll be able to travel to France with her and not be subject to the 90-day rule.

Check the website of your proposed local prefecture to see what the procedure is for getting a residence permit as the spouse of an EU national.

- To get a very rough idea, deduct 10% from your total gross income.
That'll be your prélèvements sociaux sorted.

- You have misunderstood "social charges". They are essentially a tax by another name. In fact "social charges" basically consist of two separate taxes, CSG (contibution sociale généralisée) which funds the national healthcare infrastructure plus things like funding certain social benefits for the less well off, ensuring those living in the dom toms aren't penalised by higher electricity supply tarifs, and various other random social provisions.; and CRDS, "contribution au remboursement de la dette sociale) which goes towards paying of France's social security debt. Neither counts towards your personal healthcare, pension, or anything like that. All you get is from a warm glow in your heart from knowing you've contributed to French society and helped reduce France's debt.
Short explanation:
"La contribution sociale généralisée (CSG) et la contribution au remboursement de la dette sociale (CRDS) sont des taxes destinées à financer la protection sociale en France et à résorber l'endettement de la sécurité sociale."
(https://www.economie.gouv.fr/particu...neralisee-csg#)
Longer explanation:
https://www.urssaf.fr/portail/home/i...ette%20sociale.
What entitles folks to healthcare and potentially puts something in their pension pot are social *contributions*, usually referred to as "cotisations". These are an entirely different kettle of fish that workers pay in addition to their CSG and CRDS, whereas inactifs only pay the CSG/CRDS elements..

- Having now skimmed through the thread from the beginning, I haven't seen much mention of your own carte de sÃ©jour. You need to find out the procedure for obtaining this. Since your wife is French your cds will be granted de plein droit but you need to follow the correct procedures to get one. Suggest you check the procedures just before you arrive because I have a notion that the vie privÃ©e et familale process is going to be tweaked slightly in the new projet de loi immigration that you've probably read about. I believe that currently foreign spouses moving to France don't necessarily need to enter on a visa and they can apply for the CdS on arrival, but under the new laws which will probably be implemented early next year it's proposed that they will be required to enter France on a visa. Could be wrong but it would be wise to keep tabs on this I think, you don't want to start off with the prÃ©fecture sending you straight back to the UK to get a visa...

- No that is the family reunification process for spouse of non French EU citizen. As spouse of a French citizen you need the vie privÃ©e et familiale which is a different process.
https://www.service-public.fr/partic...able%202%20ans

- Healthcare. It is obligatory to have healthcare in place, living in France without is not permitted. Some websites say that you are exempted from social charges if you have private health insurance, some say it has to be an S1. In practice, full private healthcare does seem to be accepted. But you have to prove that you have alternative cover in place. Opting out of state healthcare and having nothing in place is not acceptable.

- Annuities. You need to be a bit careful with these. Annuities as they exist in the UK, do not exist in France, so there is no exactly equivalent in the fiscal code and there can be some disagreement on whether they should be treated as pensions or whether they should be treated as investments. What most people do is declare them as pension whilst being aware that the fisc might potentially challenge this and reclassify it. Usually if the annuity was bought from a pension fund and taken at pensionable age the fisc are happy to treat it as a pension. I have an annuity and after discussing it with the tax office they said Declare it as a pension. But whether or not they will accept an annuity as a pension in the case of a person who is not near retirement age I do not know.

- *I think it's about Â£50 per month for private healthcare*
That doesn't sound realistic for full private healthcare to be honest. SB, I donât think that Â£40 per month can possibly be for the kind of fully comprehensive health insurance that would be needed for you to not be considered Â« Ã la charge du sÃ©cu Â» (and therefore exempt from prÃ©lÃ¨vements sociaux).
I have private health insurance through work and my employer currently pays half but if they didnât, the premiums would be over â¬600 per month for myself and my husband.

- I strongly recommend you buy a copy of the 2023 tax guide produced by Connexion magazine.
It contains detailed info on the tax treatment of the different types of income, including UK bank interest. And tells you where to declare the amounts in the tax forms.

- I think- as EuroTrash says- you will find itâs only worth choosing full private health insurance over the sÃ©cu if you have a huge pension. A couple of former colleagues have done this but their pensions are â¬120 000 per year so the â¬7 000 or so they pay in annual private health insurance premiums still works out cheaper than the 10% or so of
â¬120 000 theyâd be paying for the sÃ©cu.

- Re your question about social charges on UK bank interest, etc pre-age 67, I think you should err on the side of caution and assume youâll pay over 17% in prÃ©lÃ¨vements sociaux on non-employment income of any kind.

- Re. the tightness of your budget.
We do not live lavishly. Our flat was paid off years ago. We drive one small van about 50 km per week. We canât be bothered with restaurants any more because most in Strasbourg are now mediocre or downright bad. We loathe shopping. No expensive hobbies- just mountain biking on old but well maintained bikes.
But nowhere in mainland France is hot all year round and this year we were paying â¬1 200 per 1 000 litres of heating oil. Anything involving labour costs a lot, such as getting a chauffagiste out to fix/service the boiler.
Other utilities such as gas are expensive too. Our groceries bill has rocketed, even though we mostly shop in cheaper Germany. And are almost vegetarian!
If it is indeed your plan to live on â¬10 000, you could both consider getting jobs in France to tide you over for a few years. Your wife presumably speaks French so would have no problem. And I donât know what itâs like outside Alsace but here in Strasbourg the labour market is so tight that even immigrants with zero French can get work as long as theyâre not fussy. The non-French-speaking Sri Lankan husband of a friend works in a restaurant kitchen for example.
Working is also a great way to learn French.

Otherwise maybe you should consider warm, sunny cheaper countries? With an EU wife, this might be possible although I realise individual EU countries have their own minimum-income requirements for residence.

- I suppose our big expenses apart from the heating oil is the boiler service and maintenance contract (around â�¬400), car insurance (nearly â�¬700), house insurance (â�¬300), charges for the building (â�¬1500) and taxe fonciÃ¨re (â�¬1500).
You know what? You should reach out to White Trash who regularly posts on this forum. Am pretty sure heâ��s the guy who lives a self-sufficient type life in Brittany. Although if youâ��ve brought up a family in Cambridgeshire on Â£20 k a year I doubt thereâ��s much he could teach you!

- *I have no choice as a French tax resident other than to pay the 17.2% charge on saving's interest which means healthcare as the French require it.*
It doesn't 'mean healthcare'; You still need to apply to, and be accepted by, CPAM, if you are to benefit from the 70%-ish reimbursement. Until you're accepted and enrolled with a social security number, you're not covered. Don't forget that healthcare isn't only pills and potions, it is also emergency care if eg you have a road traffic accident on your bike.

- But for instance, after your first couple of tax returns if you declare a relatively low income you'll likely find yourself automatically entitled to all kinds of benefits whether you ask for them or not, for instance this last couple of years every household on a low income has automatically received a "chÃ¨que Ã©nergie" to help with fuel costs (mine was quite small but I believe some were well into three figures?). I imagine the chÃ¨que Ã©nergies are funded by social charges.

- A few years ago an elderly French friend was walking on a shared pedestrian and cyclist path.
He was knocked over by a cyclist and he was hospitalised with kidney damage.
If you don't have mutuelle cover then you would have to pay the difference in treatment from your own pocket.
You may also want to consider that in the future if you require to move into a care home then it is your children's responsibility to pay for your care.
It is also not true to say that you cannot get a GP appointment in the UK.
You may have to wait because of the people who already have an appointment and you have NHS111 available plus A&E.
You should perhaps Google " dÃ©serts mÃ©dicaux" in France.
There are areas in France without GPs especially in rural areas.
France is suffering many of the same problems that exist in the UK.
You should also consider global warming in your research.
In our area, 20 years ago the summer temperatures were mid-20s to high 20s.
Today, it frequently reaches mid-30s to high-30s.
This has had devastating effects on agriculture in France.
The lack of water in the summer combined with the depletion of the water table has made life difficult for farmers and those relying on wells for their water supply.

- I suspect what drives a lot of people back to the UK (assuming thatâ��s what you meant), other than personal circumstances, is just the having to brace yourself every time you need to call an insurance company or the tax office or, God forbid, Free mobile. You might get someone nice but you canâ��t

count on it.
The default setting in France is not pleasant and helpful.
For now, itâ��s not enough to make up for lousy weather, crap access to healthcare and not being on a big landmass. But Iâ��m getting older and one day it might be.

- Re your posts on another forum - it's hard to keep up with which ideas are still on the table and which aren't, but a couple of things you mentioned beg comments that as far as I saw nobody has made yet. Firstly, you mentioned in passing that you may work part time in France. You need to be aware that if you work in France for long enough to accrue any pension rights at all - which a couple of days a week for a year or so certainly would - you will not be entitlted to an S1 when you collect your UK pension. Not every UK pensioner gets one. You can get an S1 if (a) if you have no pension rights in the country where you live and (b) the UK was the last country where you worked prior to retirement. Secondly, you mentioned having a place in Wales and a place in Spain, I have no comment on the Spain angle but would suggest you think twice before getting a place in Wales and a place in France. You can only have one primary residence worldwide, which is normally in the country where you are tax resident (as opposed to being a non resident taxpayer with a second home in that country). Hence one of your two places will necessarily be a secondary residence, and both France and Wales levy extra taxes on second homes. Gwynedd for instance currently charges second home owners 150% of "council tax" and plans to increase this to 200% next year.

- SAUR were lovely, I used to ring them up even for things I could have done online. I never did make any headway with EDF, we usually ended up slamming the phone down on each other - although the technicians when they came out were fine.

- The French are unhappy with the state of France. They are fed up with their leaders and the level of political corruption.
France has many of the same problems that we experience in the UK.
France is a magnificent country with a rich cultural history and wonderful language - but so is the UK.
You need to fit into French society and not expect France to fit into your way of life.
HTH

- *That's the most significant thing I've read on the 2 forums I'm on - does that mean that I have to come back to the UK for a couple of months at 66 and work in a petrol station or something similar to get an S1 !*
I'm not totally sure on all the details, I'm sure you'll find chapter and verse if you google. Inasfar as I understand it, it seems quite simple when there are only two countries involved, it's when there's 3 or more countries involved that it gets complicated, but that doesn't seem to be the case here. As I said above I think that if you live in an EU country after retirement and you qualify for a pension from that country, then that country is your "competent state" for your healthcare in retirement for as long as you live there. (Not sure they still use the term "competent state", that's what they used to call it but since so few states are competent perhaps they realised what a joke that term was.) So if you live in France and have a pension from France then France would automatically be your competent state, and the facts of having worked in the UK previously/returned to work in the UK at 66/having a UK pension would not change that. That's the theory, however in practice the UK as usual seems to have no proper system for keeping tabs on anything so it tends to dish out S1s to just about everyone who asks, so a lot of people get S1s that shouldn't. But occasionally you do see posts from someone who got turned down (sometimes rightly and sometimes wrongly). and occasionally France refuses to

register an S1 because the system flags up that the S1 is incompatible with that person's situation and won't accept it .

- I suppose that's one of the things I would include in the "different mindset" category. I don't think people in France are nearly so fixated on buying on price and paring the cost of everything back to the bone. I'm not saying they're daft enough to pay over the odds, say if a supermarket offers an item at one price in its catalogue and tries to charge more instore they never let that go, but generally they accept that things have a cost and if the cost seems fair and reasonable for what they get, that's good enough. Banking is a good example, Brits who hadn't done their homework before moving used to be regularly up in arms when they couldn't find a high street bank that provided "free" banking like UK banks do. They expect me to pay a monthly fee, and 50â�¬ for a bank card, shock horror, it's outrageous. I suppose it is simply that if you've grown up with free banking you expect banking to be free, and if you haven't grown up with free banking then it doesn't occur to you to expect banking to be free because why should it be, not many services are free and after all banks employ staff and invest in hardware and software for customers to use.

- Iâ��ve been renting out houses in the UK for years while resident in France and I can assure you it wonâ��t entitle me to any kind of French pension.
UK rental income isnâ��t even subject to tax or social charges in France. One of the few types of foreign income that isnâ��t.

- do you think that if you have a second home in Europe and rent ot out - that the income that's paid on the rental (to cover the expenses of running the house and nothing more) - and which're declared in either France or Spain - would mean that we're contributing to a pension

I can't answer for Spain, but for France the answer is No. As a non resident you simply declare French rental income as revenus fonciers, you don't pay cotisations so it doesn't affect your S1 entitlement.
You've probably already found the relevant page that explains how non residents' revenus fonciers are treated https://www.impots.gouv.fr/internati...iliers-sagit-i and you will be delighted to see you can be exonerated social charges if you can prove you're covered for healthcare in another EU country or the UK.
Tax liability on renting out a second home as a non resident is exactly the sort of thing the Non Residents tax service is there to help with, and in fact I believe the rules on tourist rentals are under review and expected to change next year (Ithere's a rumour that some of the abattements are being reduced) so why not give your favourite tax line another call and ask them a few questions that they should be able to answer..
You would of course be liable for taxe d'habitation on the property so bear in mind when you're doing your sums that the first chunk of your rental income will be taken up paying that and the taxe fonciÃ¨re.

- For instance, hopefully UK/EU relations are going to keep getting better in the future, but if things were to turn dreadfully sour, say the UK were to pursue certain policies that the EU considers contrary to the principles the UK promised to adhere to (democracy, human rights and all) and unacceptable in a trading partner, and as a result the trade and cooperation agreement is pulled, that would almost certainly take the UK out of the social security coordination agreement (which isn't in the Withdrawal Agreement) and there would be no new S1s issued by the UK, because S1s are an EU thing.