## **UK-Based Pension** Scheme Versus QROPS



	QROPS	UK-BASED PENSION SCHEME
Inheritance Tax	Removes Pension from any IHT Liability in the UK after 5 years and away from any UK legislation changes forever.	Depending on circumstance and age, a death tax may apply of upto 45%.
Pension Commencement Lumpsum	Ordinarily upto 30% of the fund can be taken as a lumpsum tax free.	Upto 25% of the fund can be taken as a lumpsum.
Currency	Complete Currency Freedom. You can choose to invest or hold Pension assets in currency of your choice, making FX decisions when they suit you.	Ordinarily, investments are held in sterling, so if you choose to take benefits in a different currency, payments can be affected by exchange rate fluctuations and currency conversion charges.
Income Tax	It is possible to arrange for income to be subject to tax at a rate much lower than that applicable under a UK pension scheme. Your adviser should investigate the withholding tax in the QROPS jurisdiction and any Double Taxation Agreement that may exist with your country of residence.	Ordinarily your Pension income will be taxed on your UK tax code of upto 45%.
Residency	Designed for people who have left or are leaving the UK to simplify their affairs by taking their pension savings with them.	Designed for UK residents.
Income Drawdown	Same Flexible Drawdown rules as UK schemes. No need to ever purchase an annuity.	Flexible drawdown at UK tax rates. Some schemes still require that you buy an annuity as a Non UK Resident.
Investment Options	Can offer a wide choice of investments, including shares, mutual funds and packaged investment products. Funds that have benefitted from UK tax relief are subject to the UK rules on investments.	Limited Investment range, often restricted to pension providers own funds.
Lifetime Allowance Protection	Pension Capital no longer tested against UK lifetime allowance or any changes that may be made in the future.	As of 6th April 2016, the lifetime allowance limit is reduced to £1 million. This is a downward trend.
On-going advice	Specialist Pension advice with quarterly reviews by your Abbey Wealth adviser.	Most UK providers and advisers cannot deal with or advise non UK residents

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