

WORLD PENSION TRANSFERS

UK QROPS PENSION TRANSFER – FACT SHEET

CAN YOU TRANSFER YOUR UK QROPS PENSION TO AUSTRALIA?

The UK Government has now authorised the transfers of UK Pension Funds to other approved pension schemes including some approved Superannuation Funds in Australia and Self Managed Super Funds.

In order to receive funds an Australian Super Scheme must be approved as a **Qualifying Recognised Overseas Pensions Scheme. (QROPS)**. Unfortunately, many Australian Super Funds are not QROPS approved and therefore can not accept a UK Pension Transfer.

The good news is that if your Super Fund is not **QROPS** Qualified then it is a simple matter of setting up a new Super Fund that is - to allow the transfer to occur.

Foreign Exchange Discount Service: We now offer an additional service to provide substantial cost savings on exchange rates especially for large balance transfers over 60,000 GBP. Not only do you achieve savings on the standard bank exchange rate but you can now have control over when you convert GBP to AUD to maximise or lock in savings. Average savings are approx \$ 3,300 GBP minimum on the first 200,000 GBP and increasing proportionally as the Transfer balance increases. Refer to our Separate Fact sheet for further details.

Self Managed Super Funds (SMSF): Our Firm also specialises in Self Managed Super Funds thus we can establish your SMSF, have it HMRC / QROPS approved and move your UK Funds into it. You can then utilise those funds for various investments including the purchasing of property. We can also provide property finance and the additional legal entities required for property investment within SMSF.

TYPES OF FUNDS THAT CAN BE TRANSFERRED

Only Employer, Private, SIPP Pension funds can be transferred.

Various UK Government Employee Schemes also exist which can be transferred such as those who served in the NHS, Armed Services, Royal Mail and Police Forces: however, please note that the UK Government has **proposed to stop Public Defined Pension Schemes** (final salary) transfers from April 2015. As these take time it is best to not leave these transfers to the last minute!

State Pensions: The Basic State Pension (National insurance Scheme) cannot be transferred, however what is commonly called the **Second State Pension** can be transferred –If in doubt just ask us and we will confirm whether or not your Pension can be transferred.

Existing Pensions: If you are drawing down a UK Pension then in limited cases you can transfer the funds over. There are restrictions involved and most pension providers especially Defined Benefit schemes will not allow this to occur. Contact us in any case to discuss and we can clarify whether or not it can be done.

BENEFITS

TAX BENEFITS - The most obvious benefit is that upon converting your super funds in Australia to a Pension after 60; those funds become **tax free** and any earnings on the pension fund also become **tax free!**

If you Transfer your UK Pension to Australia within 6 months then **no tax** is payable on the initial transfer. (Refer to the tax payable section below)

LUMP SUM AVAILABLE - With an Australia Pension, you can draw out up to **100%** as a lump sum anytime as opposed to the UK where an initial once off maximum of 25% lump sum is allowable. This may be an important consideration should you need funds for health, travel or other reasons later on in life.

NO ESTATE TAXES - As opposed to the UK there are **NO Estate or Death Duties** in Australia ie in the UK your surviving spouse loses up to 50% of the value of your pension upon your death. This may save your estate many thousands of dollars!

OTHER CONSIDERATIONS - Foreign exchange rates - no one can tell you what the dollar or pound will be worth at a given time and it is best to look at long term rather than short term historical values.

TAX PAYABLE ON TRANSFER

The UK does not apply additional tax on the transfer as the Australian Government has a suitable tax treaty between the two countries.

There is **no tax payable** if transferred **within 6 months** of coming to Australia and if transferred after this date, then there is some possible tax payable on the **growth component (earnings) only** of your fund.

The growth component is the difference in values between the date of arrival in Australia and the date the funds are received in Australia.

For example: On 1st Jan 2011 you arrive in Australia and your balance was \$ 10,000 and on the 02 Feb 2012, the balance of your UK Funds received was \$ 12,000. The difference between the two amounts is \$ 2000, which is the amount that is subject to Tax payable as the time difference was greater than 6 months. However, if the time difference was less than 6 months you would pay no tax.

OPTIONS TO PAY TAX - You have two choices:

- a. Elect to pay it at 15% within your Super fund so your Super Fund pays for any tax payable.
- b. or include as earnings in your Tax Return and pay the tax at your personal tax rate (between 15 - 45 %) with payment made personally from your own funds.

TAX PAYABLE IF YOU GET IT WRONG

It is important to use a Professional in your UK Pension Transfer because if you fail to comply with the UK QROPS rules then you will incur an additional penalty tax from the UK of 55%. When combined with a minimum Australian Super tax rate of 15% the total tax is 70% on your Funds.

5 to 6 year rule. Funds can not be transferred to another non-approved fund until after 5 full UK financial years. UK Pension transferred funds can still be accessed within that time period if you meet a condition of release for super - but they may be subject to some UK Rules.

COMPLIMENTARY TAX GUIDE - We understand that one of the most confusing and stressful issues is working out tax payable! To make things easy for you, we provide you with a Complimentary Tax Guide with all the forms and balances so you can do your tax with ease!

HOW MUCH CAN I TRANSFER - There is no limit to the amount that can be transferred; however due to Australian Super Contribution Caps very large balances over \$ 450,000 may have to be transferred in stages. If over aged 65 then only \$ 150,000 pa is allowed currently.

TRANSFER TIME FRAMES - 3 months is the average, however it can be done within 6 weeks with active assistance from you.

PEACE OF MIND - Funds are transferred directly from your UK Fund to your Super Fund!

OUR SERVICE FEES

Administrative Service only

Our Firm provides an 'Administrative Only' service. No Financial Advice is provided at all. This allows us to keep costs down and provide an effective timely service to you.

Unlike others, our fee is a flat rate - there are no additional % based fees based on your fund balance. You tell us where the funds are and where they are to go and we make it happen.

Standard: \$ 650 for up to 1 UK pension transfer (individual only – First Transfer only) and includes the set up of 1 Australian Super Fund.

Deluxe: \$ 800 for up to 2 UK pension Funds (couple or individual) and includes the set up of two Australian Super Funds.

Additional UK fund transfers: \$ 150 each.

Foreign Exchange UK Discount Service: \$ 800 for first transfer plus UK adviser/UK fund fees, which both can be deducted from your UK Funds. Each additional transfer is \$ 150.

Additional UK Fund Charges: Some UK Fund Providers such as the NHS, charge an additional fee for the provision of a Historical Balance statement; which is required to facilitate tax reporting on the transfer. We will advise you of any such requirements at the time as prices are constantly changing.

Complimentary Tax Guide - No Charge

SMSF: Upon application.

SMSF HMRC/QROPS Approval: Upon Application

Payment: Normally deducted from the transfer funds upon completion of transfer by your super / UK fund or you can pay personally up front.

OTHER HELPFUL INFORMATION

Face Book Group : UK Pensions QROPS Transfers

Web Forum: www.britishaussieexpats.com

State pension Information

<http://www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/index.htm>

Tracing Pensions:

http://www.direct.gov.uk/en/Pensionsandretirementplanning/PlanningForRetirement/AboutToRetire/DG_10027189

if you have a general enquiry about your state pension or locating it after 1978 then you can call 0011 44 191 225 0150.

NEXT STEP - To proceed with a transfer complete the following forms and scan email to us: enquiry@worldpensiontransfers.com.au

or Fax to: 08 93758500

or Post to the address below:

GOLD VISION FINANCIAL SERVICES t/as WORLD PENSION TRANSFERS

Unit 9 No 3 Bishop Street, MORLEY WA 6062. Ph: 08 93758500 Fax 08 93758504

Email: admin@goldvision.com.au Web: www.goldvision.com.au

John Horvath, AR # 324513 of Gold Vision Financial Services Pty Ltd, ABN: 80128547562,
CAR # 390097 of Podone Pty Ltd ABN 27 160 419 134 AFSL No. 429718

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UK PENSION TRANSFER - EXECUTE ONLY ORDER

Dear Sir,

I _____
[Client 1] (Print client full name)

Australian Address: _____

STATE P/C _____

(To the pension Fund provider: Please change your records to reflect our current address)

Date of Birth: / / Work Ph #: ()

Home Ph #: () MOBILE:

EMAIL:

Previous UK Address: _____

SHIRE/COUNTRY _____ POST CODE _____

National Insurance Number: _____ Date of Arrival in Australia: / /

YOUR INSTRUCTIONS: (PLEASE CONTACT US IF YOU ARE UNSURE OF ANYTHING!)

1. Transfer the following UK/Overseas Pensions or Aust Super funds. (tick options)

a. From (Name of Aust/UK/Overseas Fund)
Account Number: (if Known)

To: (Name of an Australian Super Fund)
Account Number: (if Known)

The **Full** Account Balance OR if a part transfer the amount of \$

b. From (Name of Aust/UK/Overseas Fund)
Account Number: (if Known)

To: (Name of an Australian Super Fund)
Account Number: (if Known)

The **Full** Account Balance OR if a part transfer the amount of \$

c. From (Name of Aust/UK/Overseas Fund)
Account Number: (if Known)

To: (Name of an Australian Super Fund)
Account Number: (if Known)

The **Full** Account Balance OR if a part transfer the amount of \$

d. From (Name of Aust/UK/Overseas Fund)
Account Number: (if Known)

To: (Name of an Australian Super Fund)
Account Number: (if Known)

The **Full** Account Balance OR if a part transfer the amount of \$

Note: If more than 4 funds please reprint this page and add on.

2. The establishment of the following QROPS Australian Super Fund: (IF required) Please note you will have to advise of an investment Fund Choose at time of establishment.

Refer to our UK Pension Transfers page for further information on other super choices or on wrap accounts.

AMP Fund Name: **AMP North**
(Important - do not use for balances less than 10K)

IOOF (independent)
Fund Name: **Pursuit Core Allocated Pension**
(accepts low balances)

MLC (NAB Owned)
Fund name: **MLC MasterKey Fundamentals**
(accepts low balances)

One Path (formally ING ANZ Owned)
Fund Name: **One Path One Answer Personal Super**
(accepts Low Balances)

Russell Investments (Independent)
Fund Name: **Russell Supersolutions Personal Division**
(accepts low balances)

BT (WESTPAC)
Fund Name: **BT Super Wrap**
(accepts low balances) (see site notes on wrap accounts)

COLONIAL (CBA) Options
Fund Name: **Colonial First Wrap**
(see site notes on wrap accounts)

Establish the following alternative Retail Fund: _____

I elect to use the Large Balance Exchange Service:

I elect to have you establish a QROPS Approved Self Managed Super Fund.

3. 3rd Party Adviser Authority and Authority to Proceed.

- a. I do hereby authorise John Horvath/Gold Vision Financial Services Pty Ltd and their staff to have access to all relevant information on my investments, insurances, superannuation, Australian Pension/Superannuation funds, any Overseas Pension/Superannuation/Annuities/Retirement funds, UK Pension Funds, Accounting and Taxation information or any other financial information both within and outside Australia as required to facilitated my instructions.
- b. I also authorise both GVFS and any Overseas Firm whom are acting on my instructions to exchange or provide any such information as required to facilitate the above instructions.
- c. I do hereby acknowledge that the following Instructions have been made solely at my request and have not been recommended to us by John Horvath and/or Gold Vision Financial Services Pty Ltd. (John Horvath, AR # 324513 of Gold Vision Financial Services Pty Ltd, ABN: 80128547562, CAR # 390097 of Podone Pty Ltd ABN 27 160 419 134 AFSL No. 429718)
- d. I further acknowledge that as you have not made any recommendation(s) or provide any personal advice; you are not obliged to ensure that my instructions or any investments are appropriate to my personal circumstances, financial objectives and needs.
- e. I have also been informed that Podone and their Representatives may receive on-going Adviser fees, on-going commissions, brokerage fees and other possible financial benefits from the placement of any Investments or other Financial Products (if applicable at all).
- f. I also authorise Gold Vision Financial Services to retain my Tax File Number on file and to release it to the ATO, other government organisations/planning firms, or product providers if requested or as required to facilitate my instructions or other lawful purpose.
- g. I acknowledge receipt of a Financial Services Guide and that should I require future personal advice I may be required to pay further fees.
- h. Please also accept a scan copy/photocopy or facsimile copy of this letter as authority, as the original will stay on file at **Gold Vision Financial Services Pty Ltd.**

I accept the above costs and terms for Executing our Instructions and Instruct **Gold Vision Financial Services Pty Ltd** to proceed as Instructed by me.

Client Signature

Print name

Date: / /

Warning: As you have declined to provide information in regard to your personal needs and goals and have not sought advice in regard to these investments Gold Vision Financial Services P/L and/or Podone P/L accepts no responsibility for the appropriateness of these investments. You need to decide whether the investment is suitable for your needs.

GOLD VISION FINANCIAL SERVICES T/AS
WORLD PENSION TRANSFERS

Unit 9 No 3 Bishop Street, MORLEY WA 6062. Ph: 08 93758500 Fax 08 93758504
ABN: 80128547562 Email: admin@goldvision.com.au Web: www.goldvision.com.au

3rd PARTY ADVISER AUTHORITY - TO WHOM IT MAY CONCERN

Provider Name: _____
(to be completed by Gold Vision)

Policy Number: _____
(to be completed by Gold Vision)

I, _____
(Full Name)

Date of Birth ____/____/____

Australian Residential Address:

(I Authorise you to update my address held on file by you to my Australian address)

Suburb _____ State _____

Post Code _____ Country: (if other than Australia):

Previous UK or Foreign Address: (for Overseas Pension Transfers only)

Post/Zip Code: _____

Country: _____ NINO (UK) _____

do hereby authorise John Horvath, Gold Vision Financial Services Pty Ltd and their Staff, to have access to all relevant information on my investments, insurances, superannuation, Australian Pension/Superannuation funds, any Overseas Pension/Superannuation/Annuities/Retirement funds, UK pension Funds, Taxation information or any other financial information both within and outside Australia to enable **Gold Vision Financial Services** to fulfil my instructions.

I also authorise Gold Vision Financial Services and their staff to release to 3rd parties or Government Organisations any information as required to effect my instructions including my TFN.

John Horvath (Gold Vision Financial Services) is an Authorised Representative (no 324513) of Gold Vision Financial Services Pty Ltd an Corporate Authorised Representative (No 390097) of Podone Pty Ltd ABN 27 160 419 134 AFSL No. 429718).

Please also accept a scan copy/photocopy or facsimile copy of this letter as authority, as the original will stay on file at Gold Vision Financial Services Pty Ltd.

Signature

Date

IMPORTANT: One separate form for each client.