



Unlock Your UK Pensions

The benefits of moving your UK pension to a QROPS

If you have a UK pension scheme and plan (or are planning) to live overseas as an expatriate then you can transfer your existing pension into a Qualifying Recognised Overseas Pensions Scheme or QROPS. There are some great financial advantages in doing so.

Qrops Main Benefits

- Income withdrawals are paid without tax deducted at source - saving up to 40% tax.
- Inheritance Tax free - Any contributions into the scheme are removed from your estate for IHT.
- Increase Tax Free Lump Sum entitlement from 25% to 30%.
- No need to purchase an Annuity at retirement.
- Foreign Spouses - All unused pension funds can be left to your beneficiaries regardless of where they are from or where you met them.
- Increased freedom of investment choice.
- The pension pot can be passed free of tax to your beneficiaries as a family trust.
- The value of the pension fund grows tax free.

About QROPS



In order to transfer UK pension rights to a QROPS, the member must have left or intend to leave the UK for tax purposes. A UK pension can then be transferred outside of the UK into QROPS in the same way as pensions can be transferred in the UK. When benefits are transferred to a QROPS they do not suffer a UK tax charge unless they are over the lifetime limit.

Tax free income and withdrawal benefits can be taken after 5 years of you being a non UK resident as there are no reporting requirements to HMRC after this time frame.

A UK pension may be transferred into QROPS either before the owner starts to take the benefits or after they have come into payment. This includes most types of pension including income drawdown and protected rights, which are pensions which have accrued as a result of UK national insurance rebates.

“Tax free income and withdrawal benefits can be taken after 5 years of you being a non UK resident”

By moving UK pension benefits to a QROPS, assets are effectively removed from the UK tax net and introduced to a new tax environment depending on the member's new residence. For many expatriates the avoidance of UK taxes on pension income and the dangers of additional pension tax levies are an important planning consideration.

For clients who intend remaining offshore or who plan retiring offshore, the financial benefits are numerous. Please contact us for more details.

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