

# Super factsheet

## UK Pension transfers

Professional Associations Superannuation Fund, of which Accountants Super is a division, is now a Qualifying Recognised Overseas Pension Scheme (QROPS). This means no extra UK tax will apply if you transfer your UK pension(s) into your Accountants Super account, provided certain conditions are met.

If you are planning to transfer your UK pension, it's important to take into account the following conditions:

- Avoid the 15% contributions tax – Transfer money within 6 months of residency

Australian residents with a benefit in a UK superannuation/pension fund have six months from the date of becoming a resident to transfer the benefits to an Australian complying super fund without paying tax on the amount transferred. Amounts transferred inside this six month window do not attract a 15% contributions tax on the full amount. A member must satisfy the normal super contribution rules such as being gainfully employed.

The transferred amount is preserved until a condition of release is met.

- Transferring money more than 6 months after becoming a resident

If the benefit in the UK super fund is transferred more than six months gaining residency, the value of the foreign fund as at the date of becoming an Australian resident is considered a non-concessional contribution. The growth in the fund from the date of becoming an Australian resident is taxable.

The member can elect to have the growth:

- Be taxed in the fund; or
- Be included as part of a member's taxable income, which is taxed at the member's marginal tax rate. If the member selects this option, the 15% contributions tax does not apply.
- Overseas transfers are classified as a non-concessional contribution. This means members must have or obtain their TFN within 30 days, otherwise we must refund the whole amount of the overseas transfer.
- A contribution cap of \$150,000 p.a. or (\$450,000 in a three year period) applies to overseas transfers for members under 65 years of age in a tax year.

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## Requirements to transfer any UK pension benefit to Australia

You must provide evidence of the following to your UK pension fund.

- Permanent departure from the UK with no intention of returning to work or retire in the UK.
- Employed or self employed in Australia.
- Australian resident for tax purposes.
- No part of the UK benefit commenced paying a pension.
- Payment directly from the UK scheme to Accountants Super.
- Where the transfer has been made to an Australian complying fund, Australian tax (in line with Australia's double taxation agreement with the UK), preservation and conditions of release rules will apply to the benefits.

It is important to allow adequate time. Transferring benefits is a function of the UK pension fund and transfers can take from six weeks to 12 months and longer.

## More information

As transfers can involve complex taxation and financial planning issues, it is worth seeking independent financial advice to determine whether it is in your best interest to do so.

Our dedicated team of consultants can provide further assistance. Send an email with your contact details to [memberservices@accountants-super.com](mailto:memberservices@accountants-super.com) and a consultant in your area will get in touch with you.