



# TRANSFERRING YOUR PENSION FUNDS TO AUSTRALIA

Emigrating is a significant and potentially life changing decision that needs careful thought and planning. One factor that many people overlook is the opportunity that exists to take their U.K. pension fund(s) with them when they settle in another country. Australia is one of a number of countries where reciprocal arrangements allow for this to take place.

Taking the right advice is imperative to this process; taking this advice from an internationally recognised expert in this field is, we believe, essential to your decision.

## Background

Revenue regulations in Australia make it singularly disadvantageous for former UK residents to leave their pension fund back in the UK. Should you do so and start to draw benefits at retirement age then you are likely to be liable to Australian income tax, not only on every penny received in pension payments but also on the “tax free” cash lump sum that may be available from your UK scheme.

Furthermore, in the event of your premature death, any specified death benefit paid to a spouse or dependent may also become liable to Australian income tax.

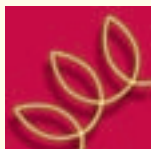
## Why Transfer?

If you transfer your UK pension fund to an Australian Superannuation Scheme that has received qualifying recognised overseas pension scheme status (QROPS) within the first six months of your residency in Australia then any tax charge is waived. If you transfer after the six months residency in Australia the tax treatment is still favourable, as the Australian tax authorities will only levy tax on the growth in the fund from the time you entered Australia until the time you transfer the fund.

Once your pension funds are transferred to Australia your fund will benefit from favourable tax treatment during the investment period up until retirement, and even after taking benefits.

## New Superannuation Rules

On July 1, 2007 a host of rule changes were introduced to the Australian Superannuation System. Whilst these changes have been widely recognised as quite positive, one negative was the introduction of caps on how much money one can contribute to this environment, Pension Transfers included. For those with small amounts of money in Pension Funds the cap is of no consequence. However, issues begin to surface when UK benefits exceed £65,000 and particularly when benefits are in excess of £200,000. This can be further exacerbated when one is approaching (or past) age 65, depending on work plans. We have considered these matters in depth and have developed strategies to manage these restrictions.



Alexander Beard

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## Our Role

Alexander Beard Group plc., was established in 1987 and since 1995 has actively helped British people throughout the world consolidate, manage and where appropriate transfer their pension funds to their new country of residence. We are authorised and regulated by the Financial Services Authority in the UK and have an Australian Financial Services Licence through our Sydney based office.

The benefit of transferring your UK pension to Australia using a firm that is both regulated in the UK and Australia is the certainty that you can rely on qualified, regulated and experienced advice at both ends of the transaction.

Our Australian based advisers have travelled to all parts of the country giving face-to-face advice and, if required, can provide an on-going service for future financial planning requirements in Australia.

## What are the Costs?

An initial analysis of your situation is free of charge and obligation.

Should you decide to receive advice from us beyond that point, this will involve the preparation of a detailed Statement of Advice (SOA), as is required under Australian Law. An SOA is a very comprehensive document that examines your existing UK Fund(s) in detail, compares and contrasts against Australian Superannuation alternatives, provides strategic, tax driven recommendations, provides investment recommendations and research and covers any and all other financial issues that may be relevant to you.

Our fee to prepare such a report will be dependant on the complexity of your situation and we will advise you of any such fee before undertaking any work on your behalf.

Separately, should you elect to proceed with a Pension Transfer, our fee to effect the transfer and prepare all necessary documentation to the tax authorities in the UK and Australia as well as the old and new Fund Managers is 3% (plus GST) of the amount transferred. That said, we will reduce this fee by the amount that you would have paid for the SOA to be prepared so as to avoid any double charging to you. To further simplify the process, our fee can be structured as an "entry fee" into the receiving Australian fund, thereby freeing-up your cash-flow for other purposes.

## Privacy and Data Protection

In order to provide this service we obviously need to collate certain personal information about you and where necessary your spouse and dependents. The Australian Privacy Laws and the UK Data Protection Act provides a legal framework for the retention of this information by us but only to be used in connection with the advice we are giving and we do not pass your information on to any third party under any circumstances.

## If you would like to proceed further

If you feel that our Pension Transfer services are of interest please contact us on [info@abg.net](mailto:info@abg.net) or if you are a UK resident please contact our Head Office on **01244 853090** or if you are resident in Australia please contact our Sydney Office on **+61 (2) 9922-2333**. We look forward to being of assistance to you.

### The Alexander Beard Group plc

#### In the U.K.

The Alexander Beard Group plc is authorised and regulated by the Financial Services Authority.

#### In Australia

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#### In the Isle of Man

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#### In New Zealand

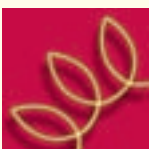
Alexander Beard (New Zealand) Ltd maintains industry best practice standards in accordance with New Zealand's Securities Market Act 1988 and New Zealand's Privacy Act 1993.

#### In the United States of America

Alexander Beard (USA) LLC. is a registered investment advisor.

**U.K. offices:** Head office (Chester) Branches in Aylesbury and Leeds.

**International offices:** Auckland (New Zealand), Douglas (IOM), Limassol (Cyprus), San Francisco (USA) and Sydney (Australia).



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