

A red-tinted photograph of the London skyline, featuring St Paul's Cathedral as the central focus. The River Thames is in the foreground, and various city buildings are visible in the background.

SOVEREIGN™

QR OPS

A man and a woman are driving in a convertible car, with their arms raised in the air, suggesting a sense of freedom and joy. The image is overlaid with a semi-transparent red filter. The text is positioned on the left side of the image, overlaid on the red filter.

“The good news is that you can simplify your affairs by transferring your UK pension to a Qualifying Recognised Overseas Pension Scheme...”

Sovereign's Cross Border Pension

If you have lived in the UK and moved overseas you may be considering your international retirement planning options and specifically what you should do with the pension you have left behind in the UK. Although you are no longer UK resident, it may not have occurred to you that your UK pension might still be subject to UK taxation. The good news is that you can simplify your affairs by transferring your UK pension to a Qualifying Recognised Overseas Pension Scheme (QROPS).

Why choose Sovereign?

Sovereign opened its first office in Gibraltar in 1987 and has since developed into one of the largest independent trust companies in the world. Through 26 offices spanning the world's financial centres, we manage over 12,000 structures for a range of clients – companies, entrepreneurs, private investors or high net worth individuals – and have assets under administration in excess of US\$5 billion.

Sovereign is a market leader in international pensions and offers a comprehensive range of QROPS solutions for the internationally mobile from its Gibraltar, Malta and Isle of Man offices. The products offer a transparent and competitive charging structure and the option to switch seamlessly within the Sovereign QROPS range.

What is a QROPS?

A QROPS is an overseas pension scheme that has received recognition from HMRC and is able to receive the transfer value of your UK pension funds. Sovereign has QROPS based in Gibraltar, Isle of Man and Malta. Your financial adviser will be able to assist you in finding the jurisdiction that best suits your retirement needs.

Who can benefit?

Anyone who has lived and worked in the UK is likely to have accrued a UK pension. Sovereign's QROPS schemes are open to any national with a UK pension, whether they have already departed the UK or plan to leave in the near future.

Which pensions can I transfer to a QROPS?

Any UK registered pension scheme may be transferred to a QROPS. However, it is not usually possible to transfer a defined benefit pension once it is in payment, an insurance company annuity, or a UK state pension entitlement.



**“Sovereign has QROPS based in Gibraltar,
Isle of Man and Malta...”**



**“Transferring a UK pension to QROPS
may offer a number of advantages.”**

What is the tax situation?

Transferring a UK pension to a QROPS may offer a number of advantages. The table below details some of the key differences between a UK pension and a QROPS.

	UK Pension	QROPS
Access	Age 55 - 75	Age 55 - 75
Lump Sum	25%	Up to 30%
UK Income Tax on pension?	Yes	No
Option to invest in different currencies?	Not usually	Yes
Death benefits	Often restricted	100% Lump Sum or dependent's pension
UK income tax on lump sum death benefits	Pre age 75 – Nil Post age 75 – at recipient's marginal rate	Nil
Subject to £1m UK Lifetime Allowance Cap?	Yes	No

The table assumes the QROPS member is non-UK tax resident and has not been UK tax resident at any time during the previous five UK tax years.

Correct as at September 2016

Can I transfer more than one pension to a QROPS?

Yes, it is common to have accrued several pension pots from different employments in the UK. These pensions may be consolidated within a single QROPS, easing administration and allowing one coherent investment strategy.

What investment options do I have?

Once your UK pension fund has been transferred to a QROPS, your financial adviser will agree an investment strategy with you in keeping with an agreed risk profile. This might include advice on how the QROPS assets are to be held and whether a structure such as an investment platform or insurance bond should be used. The investment options within a QROPS are broad and include collective investment funds, equities, corporate and government bonds, cash and commercial property. Multiple currency options are also possible which allows a hedge against currency risk.

Who will receive my pensions when I die?

The QROPS member may nominate a death beneficiary of their choice. Unlike many UK pension schemes, this need not be a financially dependent beneficiary, meaning that grown up children may receive the QROPS death benefits, as well as a surviving spouse or dependent children.

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What happens if my plans change?

In certain circumstances, one QROPS jurisdiction may be more suitable than another. This will depend on where you reside when you draw benefits. Sovereign offers free switches between its QROPS schemes providing valuable peace of mind that the most suitable option is always available to you, regardless of where you retire.

What if I return to the UK?

In the event that you unexpectedly return to the UK, you can keep your QROPS. The sum that you originally transferred to the QROPS – less any benefits paid out – would become subject to the rules for UK registered pension schemes.

A pension paid from a QROPS to a UK tax resident member will normally be subject to UK income tax at the individual's marginal tax rate.

Can I transfer out of a QROPS?

Yes, it is possible to transfer a QROPS to a UK registered pension scheme or another QROPS.

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