

## Transferring your UK pension scheme

If you're an Australian resident and want to transfer your United Kingdom (UK) pension scheme to an Australian super fund you'll be pleased to know Sunsuper is a Qualifying Recognised Overseas Pension Scheme (QROPS). Basically this means when transferring your funds to us you may avoid any UK taxes that generally apply to transfers.

### How do I arrange a transfer?

	What do I need to do?	What can I expect?	What information do I need?
Step 1	Obtain a QROPS pack by calling us on <b>13 11 84</b>	Information on transferring your UK pension scheme, Sunsuper's requirements to accept the payment, and an Australian Taxation Office (ATO) tax form	Sunsuper's QROPS reference number: <b>QROPS500499</b>
Step 2	Contact UK fund and tell them you'd like to transfer to an Australian fund	They'll send you the forms you need to complete	Your pension balance at the date you became an Australian resident
Step 3	Complete UK fund paperwork, attach Sunsuper details and payment requirements	Information required for transfer will differ from fund to fund	Information generally needed by your UK fund can be found in the QROPS pack
Step 4	Sunsuper will receive the transfer of funds	The UK fund will pay either by cheque or electronic funds transfer (EFT). <b>Refer to 'Did you know?' below</b>	Information generally needed by your UK fund can be found in the QROPS pack
Step 5	Funds will be applied to your Sunsuper account	A letter confirming the payment and total amount converted to Australian dollars (AUD)	Your current tax file number (TFN) Work test declaration if you're 65 years or older
Step 6	Complete ATO form for tax options available in QROPS pack or visit the ATO website	Any Australian tax payable will be deducted at the date your request is received and another confirmation letter sent. <b>Refer to 'How will the 15 per cent be paid' on page two.</b>	Seek financial advice before requesting tax be deducted

#### Did you know?

Transfers made by EFT/SWIFT can be received up to 5 weeks faster than those made by cheque.

**Please note** your final credited amount may be slightly less than the original amount advised by your exiting fund. This is due to bank fees deducted prior to the funds being credited to our bank account. If required, upon receipt of the funds into our bank account, we can provide with you with confirmation of the final figure.

**We recommend you seek advice from a specialist UK tax professional before transferring your UK pension scheme.**

Call 13 11 84 (+61 7 3121 0700 when overseas) | Web [sunsuper.com.au](http://sunsuper.com.au) | Mail GPO Box 2924 Brisbane Qld 4001 | Fax 07 3016 7722

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We are committed to respecting your privacy. Our privacy policy sets out how we do this. If you would like a copy of Sunsuper's privacy policy, please call us on 13 11 84 or go to our website at [sunsuper.com.au](http://sunsuper.com.au). If you do not want to receive this publication in the future, please let us know.

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### **How does it work?**

In 2006, changes to UK tax law allowed for the favourable tax treatment of pensions to apply when the pension was transferred overseas, providing the overseas fund was a Qualifying Recognised Overseas Pension Scheme (QROPS). As Sunsuper is qualified, funds transferred from UK pension schemes won't attract UK tax penalties, provided certain conditions are met. As UK tax law is a complex area, we recommend you seek specialist UK tax advice before transferring your UK pension scheme.

### **What will happen to my super if I transfer to a non-QROPS fund?**

Transfers to non-QROPS funds may be taxed in the UK at 40 per cent. Also, if the amount transferred in any 12 month period is 25 per cent or more of your UK pension scheme balance, an extra 15 per cent 'unauthorised payments' surcharge may apply. So, the total UK tax you might pay could be up to a whopping 55 per cent!

### **Will my transfer amount be taxed in Australia?**

If you transfer your pension funds within six months of becoming a resident of Australia or terminating your foreign employment, generally no tax is payable.

If you transfer your pension funds after six months, your transfer might include 'applicable fund earnings' as explained in the box on the right. This amount is subject to income tax in Australia. The non-applicable fund earnings amount is not subject to income tax in Australia.

### **What are my options if my transfer includes applicable fund earnings?**

When you're transferring your UK pension scheme, you have two options for paying the tax on the applicable fund earnings.

- you can choose to pay tax at your personal marginal income tax rate, with the tax owing calculated as part of your income tax assessment for that financial year, or
- alternatively, you can ask us to pay the tax on your behalf at the super fund concessional rate of 15 per cent and the amount will be included in the fund's assessable income.

### **How would the 15 per cent be paid?**

We will pay the 15 per cent tax by debiting this from your transfer amount after it has been allocated to your account. Before any tax can be deducted you must provide us with a completed "Tax payable on a foreign super transfer" form (NAT 11724) from the ATO. You will need to nominate the amount you wish to pay tax on. It's important to note we must receive this form by 30 September of the financial year after the transfer has been received, forms received after this date will not be accepted.

### **What are applicable fund earnings?**

Generally, the applicable fund earnings are the earnings on your foreign super interest which have accrued since you became a resident of Australia.

To calculate your applicable fund earnings, please seek financial advice or contact the ATO on **13 10 20**.

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### **Will the contribution limits for Australian super funds affect me?**

From 1 July 2011 the non concessional contribution limit is \$150,000 per annum or \$450,000 spread over a three year period if you're aged under 65. These amounts are indexed annually. If these limits are exceeded, the account will become subject to more tax. **Please note** we're unable to accept any single overseas transfer amounts over these contribution limits. Amounts above these limits will be refunded to your UK pension scheme.

Generally, all or most of the transfer amount from a UK pension scheme will count towards your non concessional contribution limits. However, in cases where your transfer includes an amount that wasn't vested to you at the time of the transfer, the unvested portion of the transferred amount would count towards your concessional contribution limits. If you've elected for Sunsuper to deduct the tax on part or all of any applicable fund earnings, the amount you elect doesn't count toward either the concessional or non concessional contribution limits.

Please refer to the ATO website ([ato.gov.au](http://ato.gov.au)) for more information about foreign transfers, vesting, taxation and contribution limits with examples.

### **Are you over the age of 65?**

Generally, for us to be able to accept a UK pension scheme transfer, you must be under age 65. If you're between 65 and 74, you'll need to provide a work test declaration, which confirms you have been gainfully employed for at least 40 hours within 30 consecutive days. This declaration must apply to the financial year in which the transfer was made. Please contact us if you require a *Work test - employment declaration (member)* form or go to our website [sunsuper.com.au](http://sunsuper.com.au).

### **Have you provided Sunsuper with your tax file number (TFN)?**

We can only accept a transfer from your UK pension scheme if you've provided your Australian TFN to us.

### **What happens if I access or transfer any part of my Australian super after receipt of the UK pension scheme transfer?**

As a QROPS fund, we are required to report to the UK Her Majesty's Revenue & Customs (HMRC) payments made from accounts that include UK pension scheme transfer monies.

The UK HMRC may then impose an unauthorised payments charge (40 per cent) and surcharge (15 per cent) on these payment amounts. This will depend on your personal circumstances as determined by the HMRC.

### **Where can I get help?**

If you'd like more information about the options available to you before transferring your UK pension scheme, please call us on **13 11 84** or **(+61 7 3121 0700** when overseas) between 8:00am and 6.30pm, Monday to Friday.