

Fact Sheet

Transferring your super from the UK

#22

Equipsuper is a Qualifying Recognised Overseas Pension Scheme (QROPS), reference number QROPS500917, meaning you can transfer money from your UK registered pension scheme into Equipsuper. If you transfer money into an Australian super fund that is not QROPS registered, it is an unauthorised transfer and may result in a significant charge from your UK fund.

Getting advice

UK law and the requirements of the UK pension scheme regulator Her Majesty's Revenue and Customs (HMRC) can significantly affect your transfer. Accordingly, we recommend you seek professional advice from a financial adviser and/or taxation adviser familiar with the UK pension and Australian superannuation regimes, and your particular circumstances, before making a decision to transfer money to Equipsuper or to withdraw money that has already been transferred.

Planning to transfer?

Things you should know...

If you are planning to transfer funds from your UK fund (UK transferred funds) to Equipsuper, please note the following:

- > Under Australian law, in any financial year, Equipsuper cannot accept any single transferred amount for you greater than \$450,000 if you are less than age 65 and \$150,000 if you are aged 65 or over.
- > Transfer amounts received by cheque in British pounds will be converted to Australian dollars by Equipsuper's bank (less any exchange fees). However, amounts transferred electronically (ie EFT) from the UK must be received in Australian dollars.
- > At the time you transfer your UK funds, the length of your Australian residency will have an impact on the tax treatment of your funds as follows:
 - > Any UK transferred amounts received within six months after you become an Australian resident will be treated as a non-concessional contribution for tax purposes and will therefore count toward the non-concessional contributions cap described on page 2.
 - > Where your transfer is not made within six months of you becoming an Australian resident, the component that represents the growth in the value of your benefit since you became an Australian resident is taxable. The ATO provides details on how you calculate your assessable amount at www.ato.gov.au or call 13 10 20. You may pay the tax yourself via your personal tax return or you can transfer the tax liability to the fund. You will need to fill in the ATO form *NAT 11724* stating the growth amount you want treated as a taxable contribution by Equipsuper. That part of your benefit will be taxed at the fund's concessional rate of 15%. The balance of your UK transferred amount is then treated as a non-concessional contribution for tax purposes.
- > Equipsuper may require information from you before it accepts your UK transferred funds, and again before processing a payment or transfer, to help it establish if it needs to notify HRMC.
- > You may have ongoing self-assessment obligations under UK law.

This brochure is for general information only. It has been prepared without taking into account your personal objectives, financial situation or needs. You should consider whether this information is appropriate to your personal circumstances before acting on it and, if necessary, seek professional financial advice. If you are considering investing in the Equipsuper Superannuation Fund ABN 33 813 823 017, you should read the appropriate Equipsuper Product Disclosure Statement (PDS) before making an investment decision. You can obtain a PDS via our website or by contacting the Helpline.

The taxation information included in this brochure is a general guide only. As taxation laws are complex and individual circumstances vary, you should seek individual taxation advice from a qualified advisor.

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Contact our Helpline on: **1800 682 626** | Visit our website at: equipsuper.com.au
Send any correspondence to: **Equipsuper Pty Ltd, GPO Box 4303, Melbourne VIC 3001**

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- > If your transfer amount is to be transferred electronically (via EFT), you should request that the amount be converted to Australian dollars before being transferred to the Fund. Cheques received in British pounds will be converted by our bank. However, any electronically transferred funds not received in Australian dollars may take several weeks to reach your account due to clearance procedures, and additional foreign exchange fees usually apply. Equisuper will generally not charge any additional administration charges to accept and administer your transferred funds.
- > UK transferred funds will be credited to your existing Equisuper account (a new Equisuper account can be arranged if you currently are not a member).
- > If a QROPS makes a lump sum payment, a first pension payment, or a transfer to another fund, and you are a UK resident at the time of the payment or were a UK resident in that or any of the five preceding UK tax years, the fund must notify HMRC of the payment. HMRC requires a QROPS to treat each payment or transfer from the fund as being from the UK transferred funds until those funds have been exhausted.
- > In some circumstances, a UK charge may apply on unauthorised payments from the fund which occur if you have been a UK resident in the current or any of the five previous UK tax years. An example of an unauthorised payment would be a transfer from Equisuper to a superannuation fund that is not a QROPS. Note that the payment of 15% contribution tax on Australian sourced concessional contributions is not deemed to be an unauthorised payment. However, any excess non-concessional contribution tax you may incur (on Australian contributions) is deemed to be an unauthorised payment and will attract the UK charge. This is because any payments from the fund are deemed by UK law to have come firstly from the UK transferred amount.

Non-concessional contribution caps

The non-concessional contributions cap from 1 July 2007 is \$150,000 (indexed) per financial year. However, if you are under age 65, you can bring forward three years of contributions and contribute up to \$450,000 in one year or over a three year period.

Any contributions over the applicable non-concessional contributions cap are subject to additional tax. For further information, please refer to *Fact Sheet #9*.

Where do I go if I need help?

ATO	13 10 20
Equisuper Helpline	1800 682 626

> Visit the ATO's superannuation website at www.ato.gov.au/super or call the ATO Information Line 13 10 20.

> Before making any decision to transfer your UK pension benefits you should consider seeking financial and/or taxation advice from a qualified adviser.

Step 1

To arrange the transfer of your UK pension to an Australian pension fund, firstly contact your UK Pension Fund and advise them of your request. You will need to advise your UK fund that Equisuper is registered as a QROPS, reference number QROPS500917.

Step 2

Your UK fund will send you their forms to arrange the transfer. If these forms require details to be provided by Equisuper, you may need to send the forms to us (see page 1 for address details).

Please ensure you fully complete all areas of the forms that relate to you as the member before sending them to us to complete the 'overseas receiving fund' sections.

Once we have completed any required information, we will return the paperwork to you. You will then need to send the completed forms back to your UK fund.

Step 3

Your UK fund will send the transfer amount to Equisuper. Note: the fund cannot accept any amount greater than \$450,000 if you are less than age 65 or \$150,000 if you are aged 65 and over. Please ensure that you request any electronic transfers to be made in Australian dollars. Any charges incurred by Equisuper to process your transfer will be deducted from the amount received.

Step 4

After the receipt and clearance of your transferred funds, Equisuper will confirm the total amount of payment.

Step 5

We will send you the Australian Taxation Office (ATO) form *NAT 11724*. You may need to obtain further information from your UK fund or the ATO to complete this form.

- > If your transfer amount was received six months after you became an Australian resident, you are required to pay tax on the portion of the transfer that represents the growth in the value of the transfer amount between the time you became an Australian resident and the time that the transfer took place.

If you are unsure of how to calculate the amount that is taxable, please contact the ATO on 13 10 20.

You can elect to have the fund pay the tax on your behalf. You can nominate the amount that is taxable in Section D, question 17 of the ATO form we send you. The amount you nominate here will be included in Equisuper's assessable income and taxed accordingly at 15%.

You will need to return the fully completed ATO form to us within 28 days if you would like Equisuper to pay tax on a portion of the transfer. Alternatively you can include the taxable amount on your individual tax return, in which case you do not need to return the ATO form.

The ATO provides information on the tax treatment of transfers from foreign super funds on its website, or you can contact the ATO Super information line on 13 10 20.

- > Remember, any amounts transferred to your Australian superannuation fund within six months of becoming an Australian resident are tax-free, so you do not need to complete the ATO form.

Documents you may need to transfer your UK pension

- > Equisuper's registration letter available under **Forms on our website**.
- > The ATO (NAT11724) election form we send you relating to transfers occurring six months after you became an Australian resident or terminated foreign employment.
- > Applicable forms from your UK pension fund. These will be sent to you once you inform them of your request to transfer.