



FIRST CAPITAL
FINANCIAL SERVICES
A Gallagher Company

QUESTIONS TO ASK YOUR ADVISER

Before you transfer
your UK Pension

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INTRODUCTION

- This eBook assists investors considering transferring their private UK Pension savings to New Zealand.
- This eBook does not cover State Pensions; please refer to our State Pensions guide.

We encourage you to ask as many questions as possible, including those contained here. We recommend sending these questions to your adviser before meeting with them. If your Adviser cannot answer these questions, perhaps it's time to look for an Adviser who specialises in this technical area of financial advice.

BACKGROUND

The ability to transfer a UK pension to a Qualifying Overseas Pension Scheme was part of the Pension Simplification policy enacted by the British Government. It took effect from the 6th of April 2006. There have been many changes to both the UK legislation and NZ legislation that govern the rules in this area, with notable changes including:

2010 Minimum Pension age increased, withdrawal rules changed.

2012 Income for Life introduced.

2014 Schedule Method introduced for NZ tax on Foreign Superannuation.

2015 KiwiSaver removed from QROPS list, UK Government Funded schemes restricted.

2016 NZ Financial Markets Conduct Act takes effect.

2017 Flexi Access introduced, Member Payment Provisions extended.

2024 Lifetime Allowance superseded by the Overseas Transfer Allowance.

2028 Expected pension age increase from 55 to 57.

WHAT QUESTIONS TO ASK YOUR ADVISER

It is vital that you make an informed decision before deciding on the best course of action for your UK Pension savings. You might hold a Stakeholder Pension, a Self-Invested Personal Pension, a Section 32 Buy Out Bond, a Final Salary Scheme, a Defined Contribution Scheme, a scheme with safeguarded benefits or guarantees, or even a combination of these schemes. An adviser with experience in this sector will know the differences and provide clear, concise advice on your options.

The following questions will help you determine whether your adviser is experienced in this sector.

A pension analysis is vital to understanding which pension options suit you. Whatever the value of any pension(s) you are considering transferring, we strongly suggest taking professional advice before delving into this complex area.

GENERAL

- Are you providing advice or a transaction-only service?
- Are you regulated, and if so, by whom?
- What is the difference between a ROPS and a QROPS?
- What is the likelihood that HM Revenue and Customs will delist a recommended scheme?
- Explain the advantages of leaving my UK pension with the existing provider in the UK.
- Do I have enough saved in my pension to pay for the lifestyle I want in retirement?

COSTS

- What are the fees, including entry/exit fees, transaction costs, currency margins, fund management fees, bid/offer spread, and brokerage costs?
- To whom are these fees paid, and how are they paid?
- Explain an “unauthorised withdrawal” and how that fits with my situation.
- What are the penalties for an unauthorised withdrawal?
- When does the Overseas Transfer Charge apply, and how can it be reclaimed?
- In what circumstances could the Overseas Transfer Charge be applied in the future?

UK PENSION QUESTIONS

- When is it a requirement to seek a Financial Conducts Authority Registered Adviser report?
- How many FCA advisers do you recommend, and what are the costs?
- Does my scheme have safeguard benefits? Do I lose them if I transfer my pension?
- How much is the expected income from the UK scheme at retirement age?
- I can't locate my pension provider; how can I find a lost pension?
- What is the Pension Protection Fund, and how does it apply to my scheme?
- What is an APSS263?

NZ SCHEME QUESTIONS

- How many NZ schemes are on the HMRC Recognised Overseas Pension list?
- Can you advise on all NZ schemes, or are you linked to specific financial product providers?
- What are the advantages of not transferring to a New Zealand scheme?
- Can the New Zealand scheme make investments in different currencies?
- Can I choose my own investments?
- Do NZ schemes offer annuities?
- What are the options for receiving income from the NZ scheme?
- If I transfer to a NZ scheme, can I contribute regularly? What are the advantages and disadvantages of this?
- When does the NZ Scheme Manager report withdrawals to HMRC?

UK TAX

- When does Inheritance Tax apply?
- Explain how UK tax could be incurred if I return to the UK.
- What is the Overseas Transfer Allowance, and what happens if I exceed the limit?
- Can I still apply for pension protection from the Overseas Transfer Allowance?

***Every case is different.
For personalised tax advice we recommend
speaking to a tax specialist.***

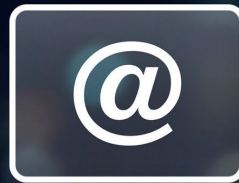
NZ TAX

- Explain NZ tax on the transfer of a UK Pension, including Transitional Resident Exemption, the general exemption, the Schedule method, and the Formula method.
- Can I benefit from Transitional Resident Exemption?
- Explain Zero-rate Portfolio Investment Entities (PIES) and how I qualify.
- What are the differences between a PIE-registered scheme and a non-PIE scheme?
- Can I choose my own investments?
- When is a UK tax-free lump sum tax-free in NZ?
- Explain the scheme pays vs investor pays regime and what is most appropriate for my situation.

COMPLICATIONS

- If I'm not happy with the advice, what are my options?
- In your experience, what was the most difficult pension transfer you have handled?
- What is the fastest transfer you have completed, and how long was the longest? Why?

Your Adviser must give you a Disclosure Statement and provide a written Statement of Advice.



This area of financial advice can be quite technical, one question can lead to another and what is right for one person, may not be right for another.

PLEASE SEEK ADVICE FROM A SUITABLE ADVISER BEFORE MAKING ANY FINANCIAL DECISIONS.



ABOUT THE AUTHOR



My name is Dai Eveleigh (FSP108949), and I provide financial advice on behalf of First Capital Financial Services Limited (FAP License holder FSP83083). I have over 20 years of experience in financial services. Since joining First Capital in 2013, I've focused on financial planning, investment advice, and UK pension transfers.

My qualifications include:

- Certified Financial Planner (CFP^{cm})
- Diploma in Business Studies – Personal Planning (Massey University).
- Financial Planning Certificate (UK)

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