

## Perpetual Select Super Plan and Pension Plan

Transferring your UK Pension  
Scheme to a Qualifying Recognised  
Overseas Pension Scheme (QROPS)



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### **Further information**

For more information about QROPS or to obtain a copy of the Product Disclosure Statement for the Perpetual Select Super Plan or Pension Plan, please contact your financial adviser email us at [selectfunds@perpetual.com.au](mailto:selectfunds@perpetual.com.au) or call us on 1800 003 001. Alternatively, visit our website at [www.perpetual.com.au](http://www.perpetual.com.au).

## What is a Qualifying Recognised Overseas Pension Scheme?

When transferring benefits held in a UK pension scheme to an overseas scheme, most UK pension benefits will be taxed at 40% (plus other penalties where applicable) by Her Majesty's Revenue and Customs (HMRC – the UK pension scheme regulator) unless the overseas schemes to which the UK pension benefits are being transferred have been registered as 'Qualifying Registered Overseas Pension Schemes' (QROPS).

Perpetual's Select Superannuation Fund ABN 51 068 260 563 RSE R1057034 (the Fund), which includes the Perpetual Select Super Plan and Pension Plan has been registered as a QROPS. This means you can transfer your UK pension to the Perpetual Select Super Plan (the Super Plan).

**The QROPS reference number for the Fund is QROPS500668.**

## What do you need to know before you decide to transfer your UK pension benefit to the Super Plan?

### UK considerations

A transfer of your UK pension benefit to the Super Plan, known as an 'authorised member payment', will generally not be subject to UK tax of 40%. However, before you transfer, we recommend that you seek professional advice from a financial adviser and/or taxation adviser having regard to your particular circumstances.

### Australian considerations

The Australian tax treatment applicable to transfers of UK pension amounts to the Super Plan is set out on page 2.

In addition, you should take the following into consideration:

- HMRC will require specific reporting in relation to your UK pension once it has been transferred to the Super Plan. This reporting will be provided by the Super Plan
- Australian eligibility rules regarding contributions to the Super Plan must continue to be satisfied
- Australian conditions of release requirements continue to apply to all benefit payments made by the Super Plan, including amounts attributable to your UK pension
- there may be delays in processing applications where funds received by the Super Plan are not in Australian dollars.

For more information on Australian eligibility rules and conditions of release, you should refer to the relevant current Product Disclosure Statement for the Super Plan or talk to your financial adviser.

## How will the Super Plan treat your transfer of a UK pension?

### Transfers within six months of Australian residency

If you transfer your UK pension to the Super Plan within the six-month period after becoming an Australian resident, this amount will be considered an after-tax contribution and will count towards your after-tax contributions cap (referred to in the legislation as non-concessional contributions cap).

### Transfers after six months of Australian residency

If you transfer your UK pension benefit to the Super Plan after six months of Australian residency, any growth in the value of your benefit between the time you became an Australian resident and the time the transfer occurs, is required to be included as assessable income in your Australian tax return for the relevant year of income. It will be taxed at your marginal tax rate (plus Medicare levy).

Alternatively, you can elect to have this 'growth component' treated as a taxable contribution to the Super

Plan, and it will be subject to tax at 15% in Australia. The amount we deduct to pay the 15% tax will be reported to HMRC and may incur additional tax in the UK. The after-tax amount of the 'growth component' will be considered a taxable component on withdrawal from the Super Plan. If you would like to make an election in relation to any 'growth component' please complete the 'Choice to have your Australian fund pay tax on a foreign super transfer' form (Tax Form) on page 7. The untaxed amount will be treated as an after-tax contribution and will count towards your after-tax contributions cap.

Please note:

1. If we do not receive a Tax Form regarding a 'growth component', we will process the entire amount transferred as an after-tax contribution.
2. You will be unable to make an election once your transfer has been accepted and processed by us.
3. As there may be tax consequences of electing for the 'growth component' to be treated as a taxable contribution to the Super Plan, we recommend you seek professional advice from a financial adviser and/or taxation adviser having regard to your particular circumstances before completing the Tax Form.

### Account numbers for current Super Plan investors

Due to HMRC reporting requirements and possible UK tax implications, any amounts transferred from your UK pension will be placed in a second account and kept separate from your existing Australian sourced superannuation money. Additional transfers of UK pension amounts can only be made into the second account.

Accordingly, you will receive a separate Annual Statement from the Super Plan in relation to your accumulated UK pension amounts.

You will not be charged any additional fees for having a second account and your existing investment strategy for your investment in the Super Plan will be applied across both of your accounts.

## What are the tax consequences of rolling over or cashing out your UK pension transferred to the Super Plan?

### Rolling over to another complying superannuation fund

If you decide to roll over your UK pension benefit from the Super Plan, any UK tax implications will depend on the QROPS status of the superannuation fund to which you transfer your benefit.

If you roll over to another complying superannuation fund which is a QROPS, there will generally be no UK tax payable as a result of the rollover. However, we recommend that you seek professional advice from a financial adviser and/or taxation adviser having regard to your particular circumstances.

A rollover to another complying superannuation fund that is not a QROPS is referred to as 'an unauthorised member payment', for which:

- an unauthorised payments charge (currently UK tax of 40%) will apply to the amount being transferred, and
- an unauthorised payments surcharge (currently 15%) may also apply if the transfer plus the value of other unauthorised member payments exceed 25% of the balance of your UK pension, within a 12 month period.

Where you have an Australian superannuation benefit and a UK pension benefit and you are only rolling over part of your benefit to another complying superannuation fund, in your instruction to us you must specify the Super Plan account number from which you are rolling.

### Cashing out your UK transferred benefit

You may be liable for an 'unauthorised payments charge' if you cash out your UK pension benefit, where you have been a resident for tax purposes in the UK at any time in both the current UK tax year in which the benefit is withdrawn, and the previous five full UK tax years.

Before you voluntarily cash out, we recommend that you seek professional advice from a financial adviser and/or taxation adviser having regard to your particular circumstances.

Cashing out your benefit is defined as a lump sum payment to you or your beneficiaries under one of the

following conditions of release:

- when you reach age 65
- when you permanently retire from the workforce after reaching your preservation age
- when you die
- where you have become permanently incapacitated
- if you are in severe financial hardship or
- you are entitled to cash out on compassionate grounds.

### If UK tax is payable, how will you be notified?

We will provide all required reporting to HMRC in relation to your transferred UK pension amounts as part of our annual reporting requirements as a QROPS. You will be notified by HMRC directly should any UK tax be payable.

### How do I transfer my UK pension to the Super Plan?

You can transfer your UK pension to the Super Plan in these simple steps:

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Step	Action
1	<p>A. If you have an existing Select Super account, please complete and send us an Additional Investment form and original Statutory Declaration Form from page 5 of this booklet.</p> <p>If you do NOT have an existing Select Super account, please complete and send us an application form from the relevant PDS along with the original Statutory Declaration Form from page 5 of this booklet.</p> <p>B. If you are transferring your UK pension benefit after six months of Australian residency and you would like to make an election regarding the 'growth component' of your UK pension benefit, you will also have to complete and send us the Tax Form on page 7.</p>
2	<p>Contact your UK pension fund and organise for your UK fund to transfer your UK pension to the Super Plan. You will need to provide your UK pension fund with the QROPS reference number, QROPS500668. Your financial adviser should be able to assist you with this process.</p>
3	<p>When the UK pension scheme provider confirms with you that the transfer has been made, please contact us and tell us the amount and date funds were sent.</p>

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## Case study

Melanie is currently aged 45 and moved to Australia from the UK seven years ago and became an Australian resident within six months of arriving in Australia. She has a UK pension scheme with a current benefit of A\$450,000 which was valued at A\$400,000 at the time she became a resident. She now wants to transfer this benefit to an Australian superannuation fund that is NOT a Qualifying Recognised Overseas Pension Scheme (QROPS).

### Tax payable by Melanie would generally be:

Transfer	\$450,000
Unauthorised payments charge	\$180,000 (\$450,000 x 40%)
Payments surcharge	\$67,500 (\$450,000 x 15%) <sup>1</sup>
Contributions tax on growth component	\$7,500 (\$50,000 x 15%)
Total tax payable	\$255,000
<b>Balance of super benefit</b>	<b>\$195,000 (\$450,000 - \$255,000)</b>

### If Melanie transfers her benefit into the Super Plan which is a QROPS, Melanie's tax payable would generally be:

Transfer	\$450,000
Unauthorised payments charge	\$0
Payments surcharge	\$0
Contributions tax on growth component	\$7,500 (\$50,000 x 15%) <sup>2</sup>
Total tax payable	\$7,500 <sup>3</sup>
<b>Balance of super benefit</b>	<b>\$442,500 (\$450,000 - \$7,500)</b>

### Contribution limit reminder

Transfers from UK pension schemes are subject to the government's after-tax contribution cap rules. This means that transfers from UK pension schemes to an Australian super fund which exceed this cap will be subject to tax at an individual's highest marginal tax rate plus Medicare Levy (46.5%). An annual cap of \$150,000 applies for after-tax contributions made by an individual into superannuation. Members under age 65 can make after-tax contributions totalling \$450,000 in a financial year provided no such contributions are made in the following two years. It is important to note that the 'growth component' (refer page 2) of any UK pension benefit transferred to an Australian superannuation fund is not counted toward the contribution caps.

- 1 Assumes that this unauthorised transfer exceeds 25% of the balance in Melanie's UK pension.
- 2 Under Australian tax rules, the growth component is taxable in Australia if the transfer is made after six months of Australian residency. The growth component is assessable income. Melanie has the choice of either including the growth component in her personal tax return and taxed at her marginal tax rate (plus Medicare levy). Alternatively, Melanie can have the growth component treated as a taxable contribution in the Fund, as assumed in this example.
- 3 As we have to report the amount of tax paid on the growth component to HMRC additional tax may be incurred in the UK. We recommend you seek professional advice from a financial adviser and/or taxation adviser having regard to your particular circumstances before completing the Tax Form.

# AUSTRALIA

## Statutory Declaration

To be completed by the member	
<b>Applicant details</b>	
Member Number (if you are already a current investor)	
Telephone (home)	Telephone (business)
Telephone (mobile)	
Email address	

The Trustee of Perpetual's Select Superannuation Fund needs this information to accept your UK pension benefits transfer:

I, \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ in the State of \_\_\_\_\_

do solemnly and sincerely declare that the following information is true:

- I have read and understood this information booklet
- I consent to the use and disclosure of my personal information to Her Majesty's Revenue and Customs for reporting purposes where I have transferred a UK pension to Perpetual
- I am aware of the tax implications surrounding UK pension transfers and
- I acknowledge that the information provided in this information booklet is of a general nature only and that I should seek independent financial and/or taxation advice.

I make this solemn declaration by virtue of the **Statutory Declarations Act 1959 (Cth)**, and subject to the penalties provided by that Act for the making of false statements in statutory declarations, conscientiously believing the statements contained in this declaration to be true in every particular.

You must sign this declaration in the presence of a person who is authorised to witness a statutory declaration in your State or Territory (see below).

**DECLARED at** \_\_\_\_\_

\_\_\_\_\_  
 (Signature of Declarant)

in the State of \_\_\_\_\_

this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_\_\_ Print Name: \_\_\_\_\_

Before me: \_\_\_\_\_  
 (Signature of person before whom the declaration is made)

Qualification: \_\_\_\_\_

Print Name: \_\_\_\_\_

- Note 1.** A person who intentionally makes a false statement in a statutory declaration is guilty of an offence, the punishment for which is imprisonment for a term of 4 years — see section 11 of the *Statutory Declarations Act 1959*.
- Note 2.** Chapter 2 of the *Criminal Code* applies to all offences against the *Statutory Declarations Act 1959* — see section 5A of the *Statutory Declarations Act 1959*.
- Note 3.** A statutory declaration under the *Statutory Declarations Act 1959* may be made before a person who is currently licensed or registered under a law to practise as a chiropractor, dentist, legal practitioner, medical practitioner, nurse, optometrist, patent attorney, pharmacist, physiotherapist, psychologist, trade marks attorney or veterinary surgeon, a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia as a legal practitioner, an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public, an Australian Consular Officer or Australian Diplomatic Officer within the meaning of the *Consular Fees Act 1955*, a bailiff, bank officer with 5 or more continuous years of service, a building society officer with 5 or more years of continuous service, chief executive officer of a Commonwealth court, clerk of a court, Commissioner for Affidavits, Commissioner for Declarations, credit union officer with 5 or more years of continuous service, employee of the Australian Trade Commission who is in a country or place outside Australia and authorised under paragraph 3 (d) of the *Consular Fees Act 1955* and is exercising his or her function in that place, an employee of the Commonwealth who is in a country or place outside Australia and authorised under paragraph 3 (c) of the *Consular Fees Act 1955* and is exercising his or her function in that place, a Fellow of the National Tax Accountants' Association, finance company officer with 5 or more years of continuous service, holder of a statutory office not specified in another item in this list, judge of a court, Justice of the Peace, Magistrate, marriage celebrant registered under Subdivision C of Division 1 of Part IV of the *Marriage Act 1961*, Master of a court, member of Chartered Secretaries Australia, member of Engineers Australia other than at the grade of student, member of the Association of Taxation and Management Accountants, member of the Australasian Institute of Mining and Metallurgy, member of the Australian Defence Force who is an officer or a non-commissioned officer within the meaning of the *Defence Force Discipline Act 1982* with 5 or more years of continuous service or a warrant officer within the meaning of that Act, a member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the National Institute of Accountants, a member of the Parliament of the Commonwealth, the Parliament of a State or a Territory legislature or a local government authority of a State or Territory, a minister of religion registered under Subdivision A of Division 1 of Part IV of the *Marriage Act 1961*, notary public, permanent employee of the Australian Postal Corporation with 5 or more years of continuous service who is employed in an office supplying postal services to the public, permanent employee of the Commonwealth or a Commonwealth authority, a State or Territory or a State or Territory authority, or a local government authority with 5 or more years of continuous service who is not specified in another item in this list, a person before whom a statutory declaration may be made under the law of the State or Territory in which the declaration is made, police officer, Registrar or Deputy Registrar, of a court, senior executive service employee of the Commonwealth or a Commonwealth authority, or a State or Territory or a State or Territory authority, a sheriff, sheriff's officer or a teacher employed on a full-time basis at a school or tertiary education institution.

# Tax payable on a foreign super transfer

How to complete your *Choice to have your Australian fund pay tax on a foreign super transfer*.

## WHO SHOULD COMPLETE THIS FORM?

You should complete this form if:

- you have transferred all of a lump sum superannuation benefit from a foreign super fund to a complying Australian super fund
- tax is payable on a part of that lump sum benefit, and
- you choose to have your Australian super fund pay some, or all of the tax payable on that lump sum.

➤ For more information about the tax treatment of payments from overseas super funds, refer to *Tax treatment of transfers from foreign super funds* (NAT 11725).

## HOW DO I COMPLETE THIS FORM?

### Section A: Australian super fund details

Provide your Australian super fund's details, so they can identify you, including:

- their Australian business number (ABN)
- their super fund number (SFN), and
- your member account number.

! You can search for your super fund's ABN or SFN on the *Register of Complying Super Funds (RoCS)*. This is available on our website at [www.ato.gov.au](http://www.ato.gov.au)

### Section B: Your details

Provide your personal details so your super fund can identify you. You don't have to provide your tax file number (TFN) to your super fund. However, if you do, it will help them identify you correctly.

! If your super fund doesn't already have your TFN it will not be able to accept your contribution.



### Section C: Your foreign super fund details

Provide the details of the foreign super fund that paid the super benefits on your behalf.

### Section D: Payment details

Provide details of the payment from the foreign super fund. Then choose the amount that your Australian super fund will pay tax on (in Australian dollars).

### Section E: Declaration

Read the declaration. If all the details are correct, print your full name, sign and date the declaration.

➤ Send this form to your Australian super fund.

❗ **Don't send this information to us.** The information on this form is for you and your Australian super fund. We don't collect this information; we only provide a format for you to provide the information to your super fund.

### ➤ MORE INFORMATION

For more information about the Tax treatment of payments from overseas super funds from 1 July 2004:

- visit our website at **www.ato.gov.au**
- phone **13 10 20** between 8.00am and 6.00pm, Monday to Friday, or
- write to us at  
**PO Box 3100**  
**PENRITH NSW 2740.**

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**. If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727**.

### OUR COMMITMENT TO YOU

We are committed to providing you with advice and information you can rely on.

We make every effort to ensure that our advice and information is correct. If you follow advice in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it. However, we will not charge you a penalty or interest if you acted reasonably and in good faith.

If you make an honest mistake when you try to follow our advice and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest.

If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

You are protected under GST law if you have acted on any GST advice in this publication. If you have relied on GST advice in this publication and that advice later changes, you will not have to pay any extra GST for the period up to the date of the change. Similarly, you will not have to pay any penalty or interest.

If you feel this publication does not fully cover your circumstances, please seek help from the Tax Office or a professional adviser.

### **The information in this publication is current at July 2007.**

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at **www.ato.gov.au** or contact us.





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## Contact details

For further information, or a copy of any of our Product Disclosure Statement, please contact Perpetual:

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Perpetual 