

## Australia QROPS in ‘strong demand’ as more join HMRC list

Three more Australia-based pension schemes have been added to HM Revenue & Customs’ list of recognised overseas pension schemes (ROPS), but no publicly available ROPS are yet included.



The extra schemes added to the list on 15 September, are the Commonwealth Superannuation Scheme (CSS), Locke Sinclair Retirement Fund and RBCT Superannuation Fund.

The CSS provides superannuation services to employees of the Australian Government and participating employers only, whilst the other two schemes are private self-managed superannuation funds.

Darion Pohl, chief executive of Prism Xpat, said: “As yet, no public offer Australian ROPS have been added to the list. Whilst the slowly increasing number of Australian schemes is a positive sign that the HMRC will look to further open up the UK-Australian ROPS market over time, it appears it will take longer than initially anticipated for public offer funds to be added to the list.”

He added that he understood the Australian Treasury sent a proposal to HMRC with respect to QROPS on 30 July 2015.

“Among other matters, the Treasury has sought agreement that Australian superannuation funds will be able to apply to HMRC for relief in relation to post-6 April 2015 transfers from the United Kingdom. We understand that the HMRC are currently considering Treasury’s proposal, but that the HMRC are yet to respond on any of the specifics of Treasury’s proposal.”

HMRC delisted thousands of schemes in July, with Australia faring the worst of all countries, falling from 1,600 to only one, the Local Government Superannuation Scheme.

This followed the introduction by HMRC of the Pension Age test which reiterated that members were only allowed to take benefits from a QROPS after age 55 unless retiring due to serious ill health.

The Australian rules were previously more flexible than this. Earlier this month, the P Wyns Age 55 Super Fund (SMSF) was added and yesterday's further addition of three schemes brings the total to five.

David white, partner at The QROPS Bureau, said it was good to see the number of Australian schemes increasing again.

“This is what the industry had hoped for following the discussions which took place between the Australian pension scheme providers and the Australian Treasury to find a solution to the issue created by the removal of a significant number of Australian schemes from the QROPS list.”

He added that there are an estimated 1.3m UK expatriates living in Australia and an estimated 43,000 new people emigrate to Australia from the UK each year, making it the most popular destination for British expatriates.

“It was therefore vital that a solution was found to allow these individuals to transfer their UK pensions to Australia when appropriate. A UK registered pension scheme can only be transferred to an Australian pension scheme which holds a QROPS certificate”, he said.

White further said that individuals emigrating to Australia now have some choice again in terms of where they can transfer their pension and “the number of schemes is expected to continue to increase as discussions progress”.

Paul Davies, director of Global QROPS, said the addition of the Paul Wyns Age 55 Super Fund, an individual scheme open to a member who is already over 55, signalled a legitimate route to transfer UK pensions to Australia again.

“A huge development and a formula that was always likely to be repeated, with correct financial and legal advice”, he said.

He added that the lone Australian scheme that was on the QROPS list, on the 1 July 2015, was a Local Government pension scheme, all of which have exemption from the ‘Pensions Age Test’.

“I note that the Commonwealth Superannuation Scheme (CSS) has also now been added, which is an Australian Government scheme. This scheme is likely to have had a large demand from (ex-UK) members to attain QROPS status because of the restricted number of private schemes available since 1 July 2015.”

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