Standard Life
Part of Phoenix Group

Transferring your UK pension to Ireland

Contents

Transferring your pension from the UK to Ireland.

The basics.

If you've worked in the UK at some stage of your career, you may have a UK pension. Now you're living in Ireland, you may wish to bring your pension here. Here's how it works...

Your UK pension is with an existing UK pension provider.

To transfer that pension to Ireland, you will need to transfer it to a qualifying recognised overseas pension scheme (QROPS).

A QROPS is a type of pension product which has been registered with His Majesty's Revenue and Customs (HMRC) in the UK and can accept pension transfers from the UK without the potential for triggering a tax charge.

Standard Life's Synergy PRSA and Synergy Buy Out Bond are registered with HMRC (QROPS 931273 and QROPS 500126 respectively) and can accept pre-retirement transfers from a UK pension scheme.

A personal retirement savings account (PRSA) and buy out bond are individual pension policies that can be used as a new 'home' for certain types of old pensions. Transferring into a PRSA or buy out bond gives you more control over how and where it's invested. Both the QROPS Synergy Buy Out Bond and QROPS Synergy PRSA are single payment contracts accepting only the proceeds of UK pension transfers. If you want to contribute to a pension in respect of your Irish employments, a separate Synergy PRSA policy can be written to cater for your regular and single contributions, and any transfer payments from your existing Irish pensions.

There's lots to think about if you're considering transferring your pension from the UK. Your financial adviser can help you with this decision.

Warning: If you invest in this product you may lose some or all of the money you invest.

Warning: If you invest in this product you will not have any access to this money until you retire.

Warning: The value of your investment may go down as well as up.

Warning: This transfer may be affected by changes in currency exchange rates.

What type of pension can I transfer?

You can transfer most private sector pensions, but most public sector pensions cannot be transferred.

What are the benefits of transferring a UK pension to Ireland?

Convenience

Transferring your pension may make sense if you want to retire here in Ireland because it's convenient and it will be in euro.

Tax

A QROPS can accept pension transfers from the UK without the potential for triggering a tax charge.

Standard Fund Threshold

Any pension savings you transfer to a QROPS in Ireland does not count towards the Standard Fund Threshold (currently €2 million), which is the maximum pension amount you can save for in Ireland without heavy tax charges. The Standard Fund Threshold only takes into consideration pension savings in relation to Irish earnings.

Inheritance planning

If the beneficiaries of your will or your dependants aren't living in the UK, leaving your pension there may be more complicated to deal with, so it may make more sense to transfer your pension to Ireland.

There may be other considerations, such as tax benefits, so it's important to discuss these with your financial adviser before making a final decision.

To find out if you can transfer your pension, simply contact your UK pension provider.

If you've settled back in Ireland but haven't set up a new pension yet, talk to your financial adviser today and start saving again. On top of the money you will transfer from the UK through your QROPS, you can save up to €2 million into a pension in Ireland.

What should I consider before transferring my pension?

1. Tax charges on transfer

First of all, make sure to transfer your pension to a scheme that's been registered with HMRC as a QROPS. Otherwise, it could result in UK tax charges of up to 55% of the amount transferred.

2. Tax residency

If you've been resident in the UK anytime within the last 10 UK tax years* you may be liable to UK tax on your QROPS at retirement.

Payments from your QROPS within five years of the transfer will be subject to UK tax rules, regardless of where you are resident.

You'll have to declare how long you've been out of the UK when making a claim on your policy. We'll inform you if you're liable for UK tax charge before processing your request.

* the UK tax year is from 6 April to 5 April

3. Accessing your QROPS Buy Out Bond

Pension age

The earliest pension benefits can be paid from a QROPS Buy Out Bond is 55 (from 6 April 2028, it'll be age 57).

Tax residency

Benefits can be paid if you have ceased being a UK tax resident for at least 10 UK tax years. If benefits are paid outside of these rules, UK tax rules will apply and you may be subject to UK tax on your QROPS.

Payments out of a QROPS are subject to UK tax rules for five years after the transfer into the QROPS.

4. Accessing your QROPS PRSA

Pension age

The earliest benefits can be paid from a PRSA is age 60 unless you are an employed person and are fully retired from all Irish employments. If so, you can access your benefits from age 55 (from 6 April 2028, it'll be age 57).

Tax residency

If you choose to retain your benefits within your PRSA when you retire, you do not need to be a non-UK tax resident for 10 years to access your PRSA.

However, if you want to transfer to an Approved Retirement Fund or an Annuity when you retire, you must have ceased being a UK tax resident for at least 10 UK tax years.

Payments out of a QROPS are subject to UK tax rules for five tax years after the date of transfer into the QROPS.

5. Overseas transfer charge

There is a 25% overseas transfer charge on a QROPS transfer unless the transfer is:

- to your employer's occupation pension scheme, or
- to your country of residence, or
- within the European Economic Area (EEA).

And, if your status changes within five years of the transfer, the 25% overseas transfer charge will apply. So, if you move outside of the EEA within five years of the transfer and don't transfer your pension to a new provider in your new country of residence, then we need to deduct 25% of your policy value and pay it to HMRC.

6. Pension limits

There are limits in Ireland as to how much you can save into a pension, outside of which you will be liable to tax. This is known as the Standard Fund Threshold.

In the UK this was known as the Lifetime Allowance. The Lifetime Allowance was fully abolished in the 2024 UK budget.

However, from 6 April 2024, any transfer from a UK registered pension scheme to a QROPS is tested against an overseas transfer allowance of £1,073,100. UK pension funds do not form part of the Standard Fund Threshold in Ireland.

7. Check your policy's benefits

If you transfer your pension, you (and your spouse/ dependants, if transferring from a defined benefit scheme) may be giving up valuable guarantees.

8. Your options at retirement

You can check with your UK provider about what type of pension you currently have and how you can access your money at retirement from that scheme. The UK are currently reviewing pensions legislation which may affect your UK pension and/ or QROPS in the future.

9. Currency risk

If you transfer your UK pension to an Irish pension, the transfer out will typically be paid in sterling and this will need to be exchanged to euro (which may take a few days) to set up your Irish pension policy (see 10).

10. Currency conversion charges

Should you decide to make the transfer to a QROPS, the currency exchange time, rate, margin and/or fee will likely be set by the QROPS provider's bank.

For a transfer to either of our QROPS products, please contact us for our bank's current margin and fees on foreign exchange transactions, which will be applied to your transfer payment before it is received by us.

Talk to your financial adviser about your own specific transfer. Your options at retirement may change if you transfer your pension to Ireland.

It's important to consider your options with your financial adviser to see what's best for you.

Reporting to HMRC

If a payment is made out of your QROPS within 10 years of the start date of your QROPS, Standard Life must report the transaction to HMRC within 90 days. If a payment is outside the 5 or 10 year tax residency period or before you turn 55 (or from 6 April 2028, 57), Standard Life must still report the payment.

Defined Contribution schemes in the UK and Ireland are different. Here are some of the key differences:

Defined Benefit (DB) pensions are more restrictive than Defined Contribution (DC) pensions. Some of the DC benefits here may not be available on your UK pension, so check with your UK provider.

Ireland DC or PRSA		UK DC
100% of policy value (subject to Capital Acquisitions Tax (CAT))	**Death before retirement**	**Under age 75:** 100% of policy value paid tax free (within lump sum and death benefit allowance) **Age 75 and over:** pension and lump sum taxed at recipient's marginal rate of income tax
€ (EUR/euro)	**Currency**	£ (GBP/British pound/Sterling)
25%*	**Tax free retirement lump sum (subject to limits)**	25%+
Yes	**Taxable lump sum (subject to limits)**	Yes
Yes, via Approved Retirement Fund (ARF) or Vested PRSA	**Drawdown**	Yes
Yes, imputed distribution applies if an ARF or Vested PRSA is chosen	**Forced withdrawals in retirement**	No
Income Tax or CAT (depends on beneficiary of ARF or Vested PRSA)	**Death in retirement**	**Under age 75:** tax free **Age 75 and over:** pension and lump sum taxed at recipient's marginal rate of income tax
€2 million	**Standard Fund Threshold/ Lifetime Allowance**	There is no Lifetime Allowance in the UK, as it was abolished in the 2024 UK budget. However, from 6 April 2024, any transfer from a UK registered pension scheme to a QROPS is tested against an overseas transfer allowance of £1,073,100

* All foreign pension lump sums paid out after 1 January 2023 count towards the €200,000 maximum tax free limit in Ireland.

+ In the UK, the maximum tax free lump sum from all pensions is £268,275.

Step-by-step guide to transferring your pension

So, if I decide that I want to transfer, what do I need to do?

Step 1: Discuss the transfer with your financial adviser in Ireland. They'll give you the relevant application form to complete.

Step 2: Request a transfer options form from your UK provider that **includes the option to transfer overseas**.

Step 3: You'll also need the Qualifying Recognised Overseas Pension Schemes Member information form (APSS263) which can be found on the GOV.UK website.

Step 4: Once you've completed these, give them to your financial adviser.

Step 5: Your financial adviser sends the forms to us in Standard Life.

Step 6: Once we receive the transfer amount from your UK provider, we'll arrange to convert it to euro and set up your QROPS policy.

Step 7: Now you can work with your financial adviser to choose an investment option to suit your needs and help you to fund the lifestyle you want in retirement.

Remember

Transferring a pension from the UK to Ireland is not suitable for everyone.

We recommend that you get financial advice.

Your personal circumstances also have an impact on tax treatment.

**Laws and tax rules in Ireland and/or UK may change in the future.
The information here is based on our understanding in August 2024.
You should not base your decision solely on the information in this guide.**

Glossary

Transferring your pension from the UK to Ireland doesn't need to be complicated. But some of the terms used in the process might be. This glossary explains some of the terms you may come across.

Approved Retirement Fund (ARF) or Vested PRSA*

An ARF or Vested PRSA is a retirement product that allows you to leave your pension invested and you can withdraw an income from it as you need to. You must withdraw a certain percentage each year from your ARF or Vested PRSA:

- 4%, if you're 60 years of age or over for the full tax year, or
- 5%, if you're 70 years of age or over for the full tax year, or
- 6%, if you've a combined ARF and vested PRSA assets of €2 million or more, and aged 60 or over for the full tax year

Any withdrawals from an ARF or Vested PRSA are treated as income and are taxed under the PAYE system.

With an ARF or Vested PRSA, you can leave the funds to your dependents, subject to tax.

* A Vested PRSA is a PRSA where you have taken a cash lump sum and/or income.

Annuity

An annuity converts the money in your pension into a guaranteed income for the rest of your life. You can choose to have your annuity income stay the same or automatically increase each year.

You can also choose for your spouse or civil partner to carry on being paid some or all of the income after you die.

The choices you make will affect the income you get, for example, the more you want your spouse or civil partner to be paid after your death, the lower your income will be.

Defined Benefit pension scheme

Defined benefit (DB) schemes are occupational pension schemes that provide a set level of pension at retirement, the amount of which normally depends on your service and your earnings at retirement or in the years immediately preceding retirement.

Defined Contribution pension scheme

Defined contribution (DC) schemes are occupational pension schemes where your own contributions and your employer's contributions are both invested and the proceeds used to buy a pension and/or other benefits at retirement. The value at retirement depends on the amount of contributions paid, the investment return achieved less any fees and charges, and the cost of buying the retirement benefits.

Drawdown

Drawdown is a way of using your pension pot to provide you with a retirement income.

HMRC

His Majesty's Revenue and Customs. HMRC has established rules that allow some UK pensions to be transferred to another country.

Lifetime Allowance

Previously, in the UK, the maximum pension fund an individual was allowed to have, without paying extra tax, was known as the Lifetime Allowance. It was abolished in the 2024 UK budget and was replaced with three different allowances:

- Lump sum allowance – £268,275
- Lump sum and death benefit allowance – £1,073,100
- Overseas transfer allowance – £1,073,100

From 6 April 2024, any transfer from a UK registered pension scheme to a QROPS is tested against the overseas transfer allowance.

Qualifying Recognised Overseas Pension Scheme (QROPS)

A QROPS is a type of pension product which has been registered with HMRC in the UK and can accept pension transfers from the UK without the potential for triggering a tax charge.

Standard Fund Threshold (SFT)

In Ireland, the Standard Fund Threshold is the maximum pension fund an individual is allowed at retirement without suffering heavy tax charges. It is currently €2 million. Any excess on retirement is subject to tax (currently 40%, and PRSI and USC).

Why Standard Life?

Standard Life is a life savings company. That means we provide pensions, retirement solutions, savings, investments and funds for each stage of your life journey.

We've been working in partnership with financial advisers helping people plan and enjoy their futures for more than 180 years in Ireland.

Operating internationally, our team of over 400 people in Ireland delivers products and services to support customers and advisers.

It's all about choice

We work with investment partners such as abrdn and Vanguard, to offer you a choice of investment funds to suit your needs.

We're here to help

Our customer service team is only a phone call away on (01) 639 7000.

Find out more

Talk to your financial adviser about how to plan for your future,
they'll give you the information you need to get you started.

(01) 639 7000

Calls may be monitored and/or recorded to protect you and us,
and help with our training. Call charges will vary.

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