



HM Revenue & Customs

Section 244A - Overseas transfer charge

Accounting for Tax changes

At Spring Budget 2017 the government announced that from 9 March 2017 a new 25% overseas transfer charge applies to some overseas pension transfers that were previously tax free.

From 9 March 2017 the overseas transfer charge affects

- members of pension schemes requesting an overseas transfer
- UK pension scheme administrators making overseas transfers
- overseas scheme managers making and receiving transfers

The overseas transfer charge will apply on transfers to QROPS if your scheme member formally requested their transfer on or after 9 March 2017 and none of the following apply

- they are resident in the country where the QROPS receiving the transfer is based
- they are resident in a country in the European Economic Area (EEA) and the QROPS they are transferring to is based in another EEA country
- the QROPS they are transferring to is an occupational pension scheme and they are an employee of a sponsoring employer under the scheme
- the QROPS they are transferring to is an overseas public service scheme and they are employed by an employer that participates in that scheme
- the QROPS they are transferring to is a pension scheme of an international organisation and you are employed by that international organisation

If a transfer is taxable, you will need to report and pay the tax on the Accounting for Tax Return (AFT). For taxable overseas transfers made between 9 March 2017 and 30 June 2017 you will need to report these and pay the tax on the AFT for the quarter ending 30 September 2017. The AFT on the Pensions Online System will be updated in July/August 2017.

The information you will need to provide on the AFT is:

- Title
- First Name(s)*
- Surname*
- NINO or***
- Reason for No NINO (250 character free text box)
- Date of Birth (DD MM YYYY)*
- QROPS Reference (6 numerical digits)*
- Amount transferred (whole pounds only)*
- Date of Transfer (DD MM YYYY)*
- Amount of Transfer Charge (whole pounds only)*

Mandatory field are represented by a *

*** NINO or Reason for No NINO – one or the other must be completed.

If you report an overseas transfer charge on the AFT, this will be recorded separately from any other charges you report on the AFT and you will receive a separate charge reference to pay the tax against.