



## Superannuation

# Overview of overseas transfers

Aon Hewitt Financial Education Series

Do you have a super or pension account in another country that you would like to transfer and consolidate with your Australian super fund? Different countries have different rules around whether you can access your overseas super and/or pension and the tax consequences. This fact sheet sets out some of the key things you need to consider before deciding to transfer your overseas super or pension to Australia.

### Can I transfer my super?

Many countries have a super or pension system for their citizens. Each country has their own set of rules to govern these funds, and not surprisingly they are all different, and may be subject to change.

Some countries allow you to access your super or pension, with or without tax consequences. Others allow you to transfer it to another country as long as it stays in super, while others won't allow you to access or move the funds until you reach a certain age or condition (for example retirement).

We aren't able to provide specific details for each country, instead this fact sheet will cover the main areas that you need to be aware of if transferring an overseas super or pension account into Australia. This area is extremely complicated and we suggest that you see a financial adviser before you attempt to transfer your overseas funds.

### Things to consider

There are a number of things to take into account before you transfer your overseas super or pension to Australia:

- Are the benefits of staying in the overseas fund greater than transferring them to Australia?
- Will your overseas fund reduce the benefit because you are accessing or transferring it before you have reached the prescribed retirement age?
- Will your overseas benefit be indexed and continue to grow if you leave it where it is?
- Have you considered the impact of the differences in currency when transferring the benefit?

If you then decide to transfer your overseas super to Australia, there are a number of other considerations:

- Are you able to access the funds as a lump sum?
- Are you able to transfer or roll-over the funds to Australia?
- What are the tax implications in the overseas country?
- What are the tax and super implications in Australia? Your local financial adviser is able to provide advice regarding lump sum, transfer/roll-over of the funds and the tax and super implications within Australia. However, you will need to discuss the super and tax points of your overseas funds with a qualified professional in the overseas country.

## What happens to my super in Australia?

Once your funds are transferred to Australia, they will generally be treated like the rest of your super. You won't be able to access the funds until you meet a condition of release which is reaching age 65, or retiring after reaching preservation age.

## Contribution rules

To transfer your overseas super into an Australian fund, you need to meet the contribution rules. This means that you must be under 65, or if aged 65 or over, that you have met the work test. To satisfy the work test, you must be gainfully employed for a minimum of 40 hours within 30 consecutive days in the financial year of the contribution – or in this case the transfer.

You must also quote an Australian Tax File Number (TFN) and not breach the contribution caps.

Additionally, you need to ensure you don't exceed the fund cap limits. If you are aged under 65 and never previously made contributions into an Australian fund, you are able to transfer a maximum of \$300,000 at a time. If you are aged over 65 you are only able to transfer \$100,000 at a time. If your overseas super is more than these limits, you will need to transfer the funds in multiple transactions to ensure the above limits aren't breached.

If you exceed your Australian super caps then penalties may apply.

## Transferring from the UK

There are special rules surrounding transferring your UK pension to Australia and in most cases the funds are unable to be transferred to Australia.

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This document, including all tax and super calculations, has been prepared using legislation in place as at 1 July 2018.