

Transfer of retirement assets to/from the UK

Information leaflet for employers and members

Basic points

2 options apply to the treatment of retirement assets held by persons relocating from the UK to Switzerland or emigrating from Switzerland to the UK:

1. Regulations analogous to EU/EFTA states

- The Swiss pension scheme waives confirmation and registration with the UK authorities. Pension assets originating from the UK are treated as buy-ins in Switzerland or are transferred as cash payments to the UK. Hence, pension assets originating from the UK are subject to the same regulations that apply to all EU/EFTA states.
- Together with the Agreement on the Free Movement of Persons, Switzerland applies the rule according to which pension assets remain in the original country when members change pension scheme within the EU/EFTA or between EU/EFTA states and Switzerland/Liechtenstein. In Switzerland, this concerns the mandatory portion of the savings capital. The portion above and beyond the mandatory cover may be withdrawn in cash.

2. Registration with the UK authorities (QROPS)

- The Swiss pension scheme is registered with the UK authorities (QROPS) as a recognised pension scheme. Cashless transfers of pension assets from Switzerland to the UK and vice versa are therefore possible. For the Swiss pension scheme, this solution means a 5-year reporting duty vis-à-vis the UK authorities. This also applies to cases whereby members change their employer or pension scheme.

Regulations at GEMINI

Since GEMINI Collective Foundation is not in a position to assume the responsibilities and liabilities arising from the stipulations regarding reporting duty, it is not registered with QROPS. Hence, the regulations under paragraph 1 (above) apply to the transfer of pension assets to and from the UK.

Important points for members and employers

- In the case of persons relocating to Switzerland from abroad who have never been a member of a Swiss pension fund before, annual buy-ins in the first 5 years after joining the Swiss pension fund may not exceed 20% of the insured salary under the pension fund regulations.
- Any buy-ins into a Swiss pension scheme may be deducted from the taxable income.
- Withholding tax is deducted in cases whereby pension assets are paid out to persons not resident in Switzerland.
- Where payments are made to the UK, withholding tax on lump-sum benefits may not be reclaimed.