



# The Fry Group

Refreshingly individual financial planning



# BREXIT

## The Practical Implications on Pensions

# Ed Read Cutting

## Director – Belgium Office (Brussels)

# About Us



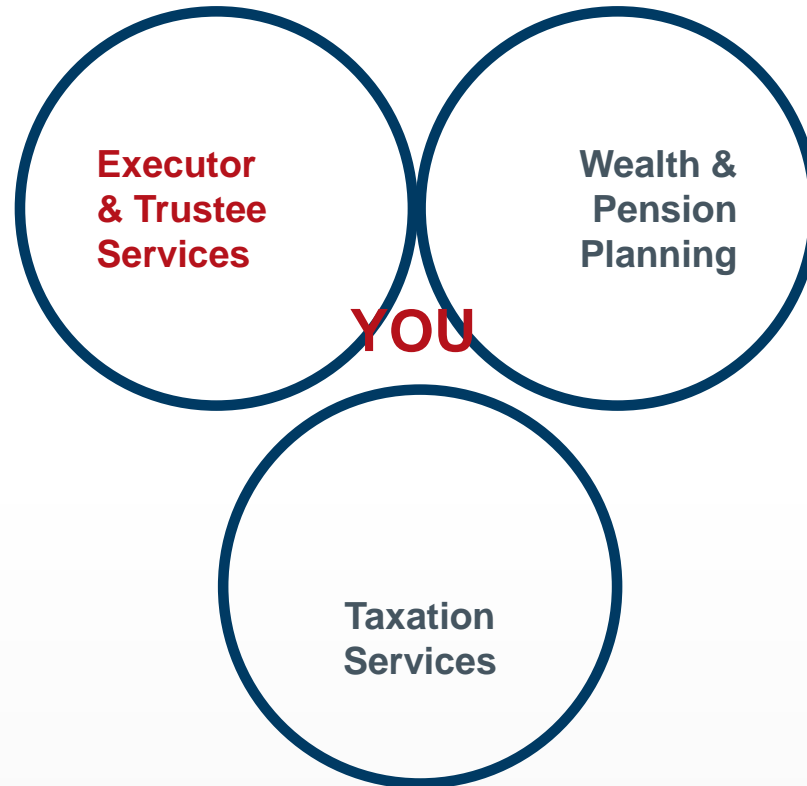
## Wilfred T Fry - Founder

Tax

Wealth

Estates

# What We Do



Tax

Wealth

Estates

# Local Knowledge

## – International Perspective

# Where do we start?

Tax

Wealth

Estates

# The Good News

## Double Taxation Agreement

- Effective 2013
  - Jan 1<sup>st</sup> Belgium
  - Apr 6<sup>th</sup> UK



- Defining – what constitutes a pension

“(i) the term “pension scheme” means any

- plan,
- scheme,
- fund,
- trust or
- other arrangement

established in a Contracting State: (i) to the extent that it is operated **to administer or provide pension or retirement benefits or to earn income for the benefit of one or more such arrangements**, and

(ii) provided that it is either:

**A) in the case of Belgium**, an entity, including

- **pension funds**, or
- a **pension scheme arranged through an insurance company**,

that is organised under Belgian law and is regulated by the Banking, Finance and Insurance Commission or registered with the Belgian Tax Administration; or



**B) in the case of the United Kingdom**, a pension scheme (other than a social security scheme) registered under Part 4 of the Finance Act 2004, including

- **pension funds or pension schemes arranged through insurance companies and**
- **unit trusts where the unit holders are exclusively pension schemes.**

**The competent authorities may agree to include in the above, pension schemes of identical or substantially similar economic or legal nature.”**

# ARTICLE XI

- (a) pensions and other similar remuneration arising in a **Contracting State** and paid to a resident of the other Contracting State shall be **taxable only in the first-mentioned State;**
- (b) however, where pensions and other similar remuneration under a pension scheme were first credited or paid before 1 January\* in the calendar year next following that in which the first Protocol to this convention entered into force, all payments under that scheme shall be taxable only in the other State.”

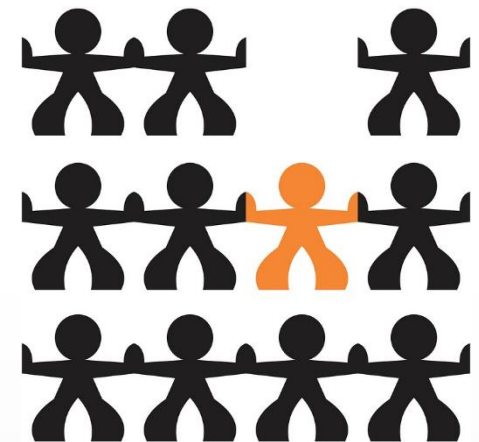
**\*2013**

# The Three Pillars

The State

Occupational & Personal

The Individual



Tax

Wealth

Estates

# Taxation

- Where is it paid?\*
- ‘Contracting State’ In the country where the pension is held

Beware - for UK pension income....

- .....whilst tax paid in the UK you must also declare this pension income in Belgium

\*2013

# Pillar I



Tax

Wealth

Estates



# Pillar II

## Occupational & Personal Pensions



Tax

Wealth

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# Taxation

UK (at the moment)

25% tax free (or flexi-access) - thereafter

- Personal allowance of £ 11,500                      0%
- Next £ 33,500    20%
- Next £ 105,000    40%
- Thereafter @ £ 150,000    45%

# Taxation

## BELGIUM

Pension capital combined tax and social security

- at age 65/66/67 +/- 15%

(Pension) Income

first € 30,000 +/- 33%

> € 30,000 50%

# Exceptions

EU Institution Pensions?

Pension transfers overseas (QROPS)

# Useful websites

Belgium - pillar II (uses Sigedis data)

[www.pension.be](http://www.pension.be)

UK - pillar I

<https://www.gov.uk/check-state-pension>

# Questions

# Compliance

- Please note that this presentation is for information only and does not constitute advice.
- Individuals should seek professional advice based on their circumstances.
- The information contained in this presentation is based on our understanding of current pensions and taxation legislation both of which are subject to change.

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