

# Working or retiring overseas



## If you're working or retiring overseas, or even heading to the UK for a job, here's how your pension could be impacted

**If you're coming to work in the UK:** No matter how long you're here for, joining USS may help you keep on top of your savings for the future. Even if it's only for a short while, you'll build valuable benefits for you and your loved ones. And you won't lose the defined benefits you've built up in the Retirement Income Builder when you leave. These will remain secure until you're ready to take them. Your Investment Builder savings are a little different – they could go down as well as up, depending on how your investments perform. Alternatively, you may be able to transfer both your benefits and savings to another pension scheme.

**If you're going to work overseas:** You may be able to keep building your benefits if you're still working for a USS employer and you remain eligible to participate in the Scheme. Or if you're moving overseas for good, you may be able to transfer them to an overseas pension scheme.

**If you're retiring overseas:** You can still get your pension paid to you. But you'll need to think about the bank account you have set up for this.

**We look at each of these scenarios in more detail below.**

For more on the two parts of USS and how they work, visit [your pension explained](#).

## I'm coming to work in the UK

### What are the benefits of joining USS?

It's not just a pension you build with USS, saving for your future with us means:

- you'll have a guaranteed income for life once you retire
- you'll build up a one-off cash lump sum too, which you can take at retirement
- we may be able to support you if you can't work because of ill health
- you get life cover too, so we'll help you make sure your loved ones are taken care of when you die.

Take a look at what you'll get as a member for more information.

### What if you're only joining for a short while?

Even if you're only here for a short while, it's just as important to save for your future to make sure you achieve the lifestyle you want.

You can leave your benefits with us and take them at the [Normal Pension Age](#). Your benefits will be based on the amount you've built up in the Retirement Income Builder (defined benefit), together with any savings you have in the Investment Builder (defined contribution).

Or in some circumstances you could apply for a [refund](#) or transfer them out. So, you won't lose your savings if you leave USS sooner than you think.

Make sure you consider if [salary sacrifice](#) is right for you if you're going to be with us for less than two years.

### **What happens to your USS pension if you leave the UK?**

The benefits you've built up in the Retirement Income Builder (defined benefit) will still belong to you. And they'll go up in line with our [standard pension increases](#). Any savings in the Investment Builder (defined contribution) will remain invested until you decide to take them. These could go up or down in line with investment performance.

You can leave your benefits and any savings with us, but you must take your benefits by the [Normal Pension Age](#).

### **If you leave, you may be able to transfer to an overseas pension scheme**

If you leave and want to take your pension savings with you, you can ask your new scheme whether you can transfer your USS pension over to them.

We won't transfer to an overseas scheme unless it's a Recognised Overseas Pension Scheme (ROPS). So we'll check this before completing the transfer. You can also check this for yourself using the [Recognised Overseas Pension Schemes notification list](#).

If your new scheme doesn't meet certain conditions, you may be charged an Overseas Transfer Charge (OTC). It's a 25% tax charge taken from your transfer. Even if you don't need to pay this right away, you may need to pay it later if circumstances change within five years. We explain the details of this charge in any transfer quotes.

### **Get some advice first**

By law, if you're transferring £30,000 or more worth of defined benefits (like what's in your Retirement Income Builder) to a defined contribution scheme, you'll need to get financial advice first. Visit our [guidance and financial advice page](#) for more information.

### **You may also be able to transfer overseas pensions in to USS**

If you'll be here for a while, or want your pensions to be all in one place, you could transfer in to USS whilst you're still paying in.

Transfers from a Recognised Overseas Pension Scheme (ROPS) may be possible. You should check with your previous overseas pension scheme whether a transfer value can be paid to a UK scheme. You can check whether your previous scheme is a ROPS using the [Recognised Overseas Pension Schemes notification list](#).

Any pension savings you transfer in will go to the Investment Builder. Visit [transferring in to USS](#) for more information.

## I'm going to work overseas

### If you're leaving your UK employer for a role that isn't eligible for a USS pension

You'll leave USS and we'll send you a leaver statement confirming the value of your benefits and any savings. For more information about when you can start taking your pension once you've left, see [your pension after leaving](#).

In some circumstances you could apply for a refund if you're with us for less than two years, or you may be able to transfer your benefits and any savings out to another pension scheme. If you choose [salary sacrifice](#) and are with us for less than two years, you won't have the option of a refund, so make sure it's right for you.

If you plan to return to your USS employer in the UK, you may be able to agree with them a period of voluntary absence. This could allow you to keep your full life cover and ill health benefits during this time by choosing to pay a special contribution. Find out more in the [absence factsheet](#).

If you want to take your benefits and savings with you, you may be able to transfer them to an overseas pension scheme. There's more about transferring overseas on page two.

### Your USS benefits will be safe and secure

If you go overseas and do decide to leave your benefits with us, what you've built up so far in the Retirement Income Builder will still belong to you. And it'll go up in line with our [standard pension increases](#). Any savings in the Investment Builder will remain invested until you decide to take them. These could go up or down in line with investment performance.

[My USS](#), our online portal for managing your membership, makes it easy to keep on top of your benefits and savings even when you're overseas. You can keep your dependants up to date and, if you leave USS when you move overseas, you can keep your personal details up to date here too.

## I work overseas but I'm employed by a UK employer

If you work for your UK employer overseas, then as long as the laws of the overseas country you're in don't disallow it, you're likely to be able to join USS (or remain in USS if you're already a member). You don't need to be a UK taxpayer to join or remain in USS.

You will need to meet (or continue to meet) the usual USS membership requirements and remain employed by the USS employer whilst overseas.

In some countries there may be local restrictions (such as social, labour or tax laws) which would prevent you from being a member of USS, or of a UK pension scheme in general or which would impose onerous obligations or other illegality on the USS trustee. If you or your employer become aware of any of these, or any other reasons that may affect your eligibility, then we should be notified immediately.

Depending on the circumstances, it may be necessary to rectify the position, by unwinding your USS membership immediately so that you are treated as if you had never been a member of USS.

Speak to your employer for more information about working overseas.

## I'm retiring overseas

### Your pension can still be paid to you – but you'll need to consider your bank account

For most overseas countries\*, your pension can still be paid to you. You'll need to either:

- keep a UK bank account for us to pay your pension into, or
- consider using an overseas payment service, such as the one we use offered by Citibank called the Worldlink Payment Services, so your pension can be delivered straight to an overseas bank account.

The cost of Citibank's service is £1 per transaction and payments must be paid in your local currency. Some local bank charges may also apply – we'd recommend you contact your overseas bank for further information.

### Other banks may operate overseas payment services so make sure you find the right option for you.

Get in touch with our Pensions Payroll Team on 0151 556 0747 for more information or if you wish to complete a bank mandate for us to set this up.

*\*If you're moving to a country that may have international sanctions or it's difficult to get payments sent to the country, we'll explain your options when you get in touch with us as there may be some additional transaction fees to be aware of.*

### Make sure you consider any tax implications

You may not need to pay UK income tax if you're a resident for tax purposes overseas. But you may need to pay income tax on your pension in the country you've moved to.

You can apply to HMRC for UK tax relief on the grounds that you're a non-resident. Contact HMRC directly on 0300 200 3300 (or 0044 135 535 9022 if you're calling from overseas), quoting your National Insurance number and our PAYE reference 428/U168. They'll then provide you with the right forms to complete and, once confirmed, will give us your amended tax code.

If you live in a country with a double taxation agreement (DTA) with the UK, you'll pay tax in both countries unless you apply for UK tax relief. You can find a full list of all countries with a DTA by searching 'double taxation agreements' at [gov.uk](https://www.gov.uk).

For more information on UK income tax if you move overseas visit [gov.uk](https://www.gov.uk).

### What happens to your State Pension?

You can still claim your State Pension overseas if you've paid enough UK National Insurance contributions to qualify. Find out more at [gov.uk](https://www.gov.uk).

This publication is for general guidance only. It is not a legal document and does not explain all situations or eventualities. USS is governed by a trust deed and rules and if there is any difference between this publication and the trust deed and rules the latter prevail. Members are advised to check with their employer contact for latest information regarding the scheme, and any changes that may have occurred to its rules and benefits. For a glossary of our terms please see our [important information](#) page.