



## **HMRC's new pension transfer flexibilities show maturity of QROPS market**

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The UK Government's discussions to afford the same new rights to Qualifying Recognised Overseas Pension Schemes (QROPS) as traditional UK-based pensions have been hailed as "further evidence of the pension transfer market's maturity."

However, the comments which came from Nigel Green, founder and chief executive of financial advisers, deVere Group, also carried a warning about the potential risks of taking advantage of the new flexibilities.

He praised HMRC and the DWP for helping to demonstrate that "QROPS are now entirely part of mainstream retirement planning options.

"QROPS are continually becoming an ever-more established pensions option with expats and those who are considering a move abroad, with an annual rise in popularity since they were officially recognised by HMRC in 2006," he said.

"Should HMRC decide to go ahead with the plans, as I expect it will, QROPS would become even more flexible. This combined with growing public awareness of their many benefits will ensure that the popularity of QROPS will increase further, and at a faster pace than ever before."

Nevertheless, these comments were tempered with some cautionary advice.

"The concept of accessing a pension early flies in the face of the overriding principle of pensions, i.e. to provide a secure income throughout retirement.

"Despite the new freedoms, people must remember that the funds should still be used as a pension.

"Where at all possible, it is better to resist accessing pension pots to avoid any potential risk of making ill-informed decisions that could jeopardise your retirement plans; to avoid hefty tax charges; and because while your funds are invested they are relatively tax efficient."

QROPS enable UK residents who wish to emigrate permanently, or those born overseas who wish to retire in their home country, to receive the transfer of UK pension benefits without incurring a charge. The QROPS program was launched on 6 April 2006 in an effort to simplify to pensions.