UK Pension Transfers.

Tax rules on UK pensions are changing.
Act now to protect your pension.

GOWER.

Your lifelong financial partner.

A significant change to UK pensions

From April 2027, tax rules on UK pensions are changing.

What was once a highly tax-efficient way to pass on your wealth may soon fall within the scope of Inheritance Tax (IHT).

If you live in Guernsey and still hold UK pensions, now could be the time to act.

Your pension has likely played a central role in building your wealth. Until now, it has also offered a powerful advantage for legacy planning. However, upcoming changes could reshape that advantage.

As part of the changes, UK pensions may be included within your estate and charged IHT at 40% upon death, even if you are not deemed Long Term Resident in the UK (i.e. UK tax resident for at least 10 of the previous 20 years)*. *Further definitions apply, see www.gov.uk for further details.*

Therefore, Guernsey residents with UK pensions should consider moving them to Guernsey to reduce the likelihood of these assets falling within the scope of UK IHT. Once you have determined your tax position with a suitably qualified tax professional, we can provide a pension structure to suit your needs.

Beyond Tax Considerations

For many Guernsey residents, transferring a UK pension can also be an opportunity to create a more streamlined, flexible, and locally aligned approach to managing their retirement wealth. Beyond responding to changing legislation, it may help simplify pension arrangements, improve oversight of retirement assets, and create a strategy more closely aligned with current lifestyle needs and long-term financial goals.

- **Greater control**
  Align your pension with your current residency, financial priorities, and retirement objectives.

- **Simplified pension management**
  Consolidate eligible pensions into a single structure that is easier to manage and oversee.

- **Flexible retirement income options**
  Use strategies such as income drawdown, allowing your pension to remain invested while you access income as needed, or purchase an annuity for greater certainty.

- **Investment flexibility**
  Ensure your pension investments remain aligned with your goals, time horizon, and attitude to risk.

- **A more coordinated financial strategy**
  Integrate your pension arrangements more effectively with your wider financial planning and retirement income needs.

A Guernsey solution for UK pensions

For Guernsey residents potentially affected by the rule changes, transferring UK pensions to a **Qualifying Recognised Overseas Pension Scheme (QROPS)** may provide a potential solution to help mitigate the impact of Inheritance Tax (IHT) on pension assets, whilst simplifying pension arrangements in the process. A **QROPS** is an overseas pension arrangement that meets HMRC requirements for transferring UK pensions abroad.

The Horizon Guernsey QROPS

Gower's in-house range of pension solutions includes the **Horizon Guernsey QROPS**, a pension structure designed specifically for Guernsey residents who hold UK pensions and want to bring their retirement planning closer to home.

The **Horizon Guernsey QROPS** can provide a more locally aligned and coordinated approach to managing retirement wealth.

The scheme is designed to support both retirement and legacy planning, helping clients integrate their pension arrangements into their wider financial strategy. With ongoing professional guidance from Gower, clients can feel confident their pension remains aligned with their residency, lifestyle goals, and evolving financial needs.

The Gower approach

We guide you through a structured process, to make sure you make an informed decision:

- **Review**
  One of our qualified Financial Planners will assess your existing UK pensions, their transfer value/s and the underlying investment assets.
- **Evaluate**
  We'll determine whether a pension transfer is potentially suitable for your circumstances, given your current situation and future plans. You'll need to take tax advice separately.
- **Structure**
  Your Financial Planner will design a strategy aligned with your residency, tax position, and objectives. They'll also assess your tolerance for investment risk, timeframe and any investment preferences.
- **Implement**
  Your Planner and our support team will manage the transfer process efficiently and compliantly.
- **Support**
  You'll receive on-going support including quarterly valuations and review meetings. We'll provide ongoing advice as your needs evolve.

Start your pension review

Speak with one of our advisers to understand your options and take the next step with confidence. UK pension transfers can take in the region of 6 months to complete, so don't delay.

***Important information**

Pension transfers are complex and may not be suitable for everyone. Tax treatment depends on your individual circumstances and may change in the future. New residency test rules apply, and you should seek advice from a suitably qualified tax professional before acting. Gower does not provide tax advice.

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