

## Are you Moving to Australia

Our UK Tax and Pension team at UHY Haines Norton have made the move from the UK to Perth. We can therefore share with you all of our experiences on the “do’s” and “don’ts” when it comes to your Australian and UK tax affairs, and also pension and superannuation issues.

We have assisted many migrants plan their move effectively by organising their tax and financial affairs prior to, and after, leaving the UK.

We also specialise in business migration, business advice and due diligence meaning we can assist you with starting up or buying a business in Australia.

### These are our Top 10 Tax and Pensions Tips to consider when moving to Australia

#### BEFORE YOU LEAVE THE UK

##### **Tip 1—Understand your new UK tax status**

Even when you are no longer living in the UK, you can still be subject to tax on UK source income e.g. dividends, interest and rents. You may need to complete a UK tax return which we can assist you with.

##### **Tip 2—Determine your Australian tax status**

If it is your intention to migrate to Australia, you will be regarded as a tax resident as soon as you arrive.

##### **Tip 3—Understand how your visa status will affect your tax treatment in Australia**

If you are a permanent visa holder, you will be liable to tax on your world wide income and assets. If you are a temporary visa holder, you will not, in general, be subject to tax on the income you receive from the UK and on gains from the disposal of assets held outside Australia.

You should contact us to discuss how we can assist you to take advantage of your temporary residency exemptions and arrange your tax affairs efficiently before obtaining your permanent residency visa.

##### **Tip 4—Obtain market values of all your assets and investments as at the date of your departure from the UK**

Should you be subject to tax in Australia on your foreign assets, you will be taxed on the growth in value from the date of your arrival until the date of disposal or transfer of the asset.

##### **Tip 5—Get your paper work in order**

Complete forms P85 and NRL1 (if you are renting out your property) before leaving the UK and gather all financial documents including details about your pensions.

#### ONCE YOU ARRIVE IN AUSTRALIA

##### **Tip 6—Apply for a Tax File Number (TFN)**

Apply for a TFN from the Australian Tax Office (ATO) otherwise you will pay tax at the highest tax rate (which is currently 45%) on all your income. Give your TFN to your bank as soon as its received.

##### **Tip 7—File your Australian tax return on time**

It is compulsory for everyone in Australia to lodge a personal tax return. The tax year end is 30 June, and everyone must lodge a tax return by 31 October unless you register with a tax agent. If you do not lodge on time, you may have to pay penalties.

##### **Tip 8—Transfer your UK pension within 6 months**

We are one of only a few firms able to offer this service. It is important that the transfer takes place within 6 months of your arrival in Australia otherwise you may pay tax on the growth of the fund since your arrival.

##### **Tip 9—Understand how Capital Gains Tax is calculated**

If you hold an asset for more than 12 months from your date of arrival in Australia, you will only pay Capital Gains Tax on 50% of the chargeable gain. You will be exempt from UK CGT on the disposal of your UK assets if you remain outside the UK for at least 5 full tax years.

##### **Tip 10—Consider having private medical insurance**

The healthcare system is funded by the tax system and you are required to pay a medicare levy of 1.5% of your taxable income. If your earnings are greater than \$50,000 (for a single person) or \$100,000 (for a married couple), you will pay an extra 1% surcharge tax unless you have your own private medical insurance

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