

# QNUPS



## QNUPS

### Qualifying Non UK Pension Scheme

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#### What is a QNUPS?

A QNUPS is an overseas pension scheme into which contributions can be made either in cash or in other assets. QNUPS regulations SI2010/0051 were introduced by HMRC on 15 Feb 2010 to give IHT (Inheritance Tax) protection for pension funds from the UK that were transferred to a QROPS (Qualifying Recognised Overseas Pension Scheme). The QNUPS regulations have effect from 6 April 2006. The rule change rectified a problem with the Finance Act 2004 which meant that pension funds transferred into a QROPS would become liable to UK IHT. The move essentially means that a QNUPS has to meet the same requirements as a QROPS but unlike a QROPS, a QNUPS does not have to be reported to HMRC. This means that all assets and contributions paid into a QNUPS are free from UK IHT. A QROPS is the transfer of pension assets. A QNUPS is a transfer of non-pension assets.

#### Who is eligible for QNUPS?

Anyone who has assets which may be subject to UK IHT. This may include UK domiciled and non-domiciled individuals. You can also be a UK resident to enjoy the benefits of a QNUPS.

#### What level of contributions can be made?

Based upon your worldwide assets and lifestyle, an actuary will be able to establish the level of retirement benefit required to sustain your standard of living in retirement, taking other retirement schemes into account. The shortfall can be made into a QNUPS and will be a justifiable contribution.

#### When can contributions be made?

Contributions can be paid at any time but must be for the purpose of providing retirement benefits. If it is deemed that the reason for the contributions to a QNUPS is for tax avoidance it will not achieve the exemption from IHT. This is particularly relevant where the member is in ill health or is terminally ill.

#### What benefits are available under a QNUPS?

As a QNUPS is a pension scheme it must follow the rules relating to UK pension schemes to ensure it is 'qualifying'. A maximum 30% lump sum can be taken from the age of 50 and then there must be an income for life. The remaining fund will be distributed on death of the member and will be outside the estate for IHT.



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