



Returning to the UK

Returning to the UK after a period overseas needs careful planning – both from a personal and financial point of view. Whether you are moving back for a temporary period, or returning permanently, becoming a UK resident must be planned for to limit your tax exposure and protect your wealth.

The key points to consider include:

Getting Back into the UK Tax System

If you are returning to the UK permanently, the date on which you set foot onto British shores is when the taxman assumes you are back in the UK tax system. It is often possible to secure a favourable position in the year of return where less than a normal year's income is chargeable to tax, but a full year's allowances, reliefs and lower rate bands are available.

On your return you must establish contact with HM Revenue and Customs to advise them of your change of residence status, claim any allowances and arrange entry into the Self Assessment system. If you are returning to the UK on a short-term basis, you may be eligible for a six-month period of grace – a specialist adviser will be able to help you confirm that this is the case.

Deciding what to do with a Pension

If your pension fund is based outside the UK then, from the date of your return, 90% of it will be chargeable to UK tax (whether it is remitted or not). If the pension arises from a UK fund, tax will be charged on the whole amount - even though the service to which it relates may have been wholly overseas.

Cash Deposits

If you hold deposits in the UK, there is a significant tax advantage to moving these offshore before you return to the UK. For cash held in overseas deposits, careful planning is needed to ensure that any interest paid after your UK return, but accrued whilst you were overseas, is not liable to UK tax.

Property

If you kept hold of your main home in the UK whilst living overseas, you may not have to pay Capital Gains Tax if you sell it for a profit once you return. That said, the rules are complicated and further advice should be sought. However, if you purchased a UK property whilst overseas CGT usually applies.

Domicile

Real tax advantages can follow if you or your father originates outside of the UK. Specialist advice should be taken.

Investments

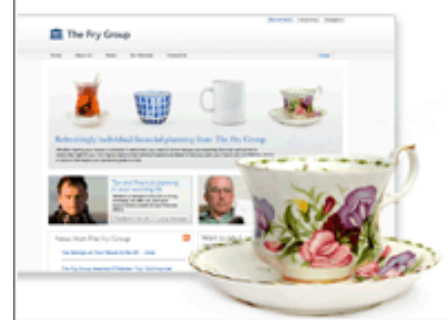
Returning to the UK provides an excellent opportunity to take control of your investment portfolio. The first step is to review how your investment objectives can best be met once you are home. Be aware that UK Capital Gains Tax and Income Tax will apply to your investments from the moment you return so it makes sense to plan ahead and even make changes to your portfolio in the light of your return.

Once you are back on UK shores, a reputable adviser can work with you to put together a plan which will identify your income and tax position according to your situation. If you have retired you might need to generate a secure income from your savings which will keep pace with inflation. If you are to continue working, you might want to accumulate capital.

There is never one right answer to suit all, and so it makes sense to use your return as an opportunity to determine what you need from your finances to ensure you have a comfortable and secure future.

The Fry Group has offices in the UK and overseas. We can help you properly plan your return to the UK, and fully support you once you are back in Britain. For more information please [visit our website](#) or [contact us](#)

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