



Retiring abroad – What to consider if you are planning to leave the UK (August 2005)

Ref IS/1

This information sheet refers to the situation in England. If you live in Scotland, Wales or Northern Ireland you may wish to contact:

Age Concern Scotland, Causewayside House, 160 Causewayside, Edinburgh EH9 1PR, tel: 0845 125 9732 (local call rate), website: www.ageconcernscotland.org.uk;

Age Concern Cymru, Units 13 & 14 Neptune Court, Vanguard Way, Cardiff CF24 5PJ, tel: 029 2043 1555 (national call rate); website: www.accymru.org.uk;

Age Concern Northern Ireland, 3 Lower Crescent, Belfast BT7 1NR, tel: 028 9032 5055 (national call rate) Monday to Friday 10am - 12pm and 2pm – 4pm; website: www.ageconcernni.org.

People think about retiring abroad for a variety of reasons. Thorough research and good planning to find out about the advantages and disadvantages are essential before making a decision to move. This information sheet provides a checklist of questions to think about.

Why do I want to move to another country?

Consider the advantages and disadvantages of moving abroad:

- Why do you want to move to another country - is it to be permanent or just to spend part of the year abroad?
- If you move abroad, will you want to return to the UK frequently to visit friends, relatives or for medical appointments?
- Can you afford to retire abroad? What would happen to any benefits you currently receive in the UK? What will your future income be?
- What would be the cost of living, the cost of property? Would changes in the exchange rate of the pound reduce the amount you have to spend?
- If you are moving with a spouse or partner, is it a joint decision? How would either of you cope financially or emotionally with the death or a serious illness of the other?
- How will you cope living further away from family and friends?
- How will you cope with different situations you will face, for example water shortages, or different cultural attitudes?

Choosing the country – what is day to day life like there?

You may have already decided where you want to move, for example to be nearer friends and family, or to be in a warmer climate, or because you may be better off financially.

Visit the country of your choice, if you have never been there, and at different times during the year to see how you would cope if the climate is different to the UK or the local climate is different at different times throughout the year. Your needs as a resident will be different from your needs as a holiday visitor.

Find out the advantages and potential pitfalls. Living in another country on a trial basis may help you to gain a better understanding of the lifestyle without giving up your home in the UK. If you have been to the country as a tourist you may need to see it out of season as well, and if the climate is a reason for moving, find out what to expect in all seasons,

for example heavy snowfall in winter. If you know someone who has already moved there, get in touch with them and ask them about the things you're interested in.

Consider your normal daily life and how this may change, for example if you use public transport, are there good transport links in your chosen area, and if you had to give up driving, would you still be able to get around easily? Are there any different rights or responsibilities you may face, in law or socially?

In regions where there are a high proportion of expatriates, voluntary associations may have been formed to assist new and existing non-nationals to settle. These groups may be active in organising social events and often provide support services in response to local needs. Some addresses are given at the end. The British Consulate will normally have details of local activities.

Learn the language

A good understanding of the national language(s) will help you to settle in, to access services, to participate in local activities and to get the best out of your local community and its benefits. It will also reduce the risk of isolation and loneliness, particularly in remote areas. If you don't have an understanding of the language, day-to-day activities such as visiting the doctor, getting work done to your property or dealing with a power cut can be difficult.

Some sources of information:

A number of websites offer insight into different countries and general points about moving abroad. Local libraries may have books, magazines or articles about people who have moved abroad. Using the words "retiring to" plus the country of your choice will bring up a number of websites.

Your income

How much money will you need? What is your current and future income, do you have money to cover emergencies, and will any income stop when you move abroad? Is the cost of living comparable, and are there any trends which may change this?

Long term financial planning is essential, particularly if you are planning to move to a country where you have not lived before or if you do not have contact with friends or relatives already living there. Many problems

that UK nationals resident in other EU countries have experienced are a result of insufficient income. High inflation and changes in exchange rates will affect your income. How would you cope with changes in personal circumstances, such as disability or dependency? Remember you will not be entitled to some of the benefits or concessions that may help you currently, such as Pension Credit and travel concessions. You will need to open up a bank account in your new country.

Do you know about all the costs – property, service charges, insurance policies, taxes? If you are renting, what are your rights as a tenant? Making a will is essential if you want your wishes to be carried out, and if you own assets in different countries, you may need more than one will – get legal advice. If you haven't made a will before moving, dying intestate in another country could cause problems for your heirs – seek legal advice about this.

What happens to my benefits if I move abroad? For example:

- Retirement Pension
- Pension Credit
- AA & DLA
- Housing Benefit
- Carer's Allowance
- War Pension
- Bereavement Benefit
- Incapacity Benefit

Find out before you make a decision, as this will greatly affect your current and future income.

Will I receive my pension?

If you are entitled to a UK state pension, this can normally continue to be paid in any country in the world. But special provisions apply to people whose pension calculations are part-based or widely based on earlier periods of residence in Australia, New Zealand and Canada.

State retirement ages vary from country to country. Some entitlements such as medical treatment vary according to whether you are retired and/or in receipt of a state pension.

EU and European Economic Area (EEA)

If you receive the UK pension while living in an EU or EEA country you will receive the annual increases in the state pension. Although the pension can be paid outside the EU/EEA area, you may not receive the usual increases in some countries. Check with the International Pension Centre (see end for details).

EU and EEA countries

Many UK benefits including the income-related benefits such as Pension Credit, Income Support, Housing Benefit and Council Tax benefit **cannot** continue to be paid if you move to an EU or EEA country. You would need to rely on any benefits available in the country you move to. Find out about this before you move abroad.

If you are receiving long-term Incapacity Benefit, Severe Disablement Allowance or widow's benefit, these may continue to be claimed while resident in another EU Member State, providing you satisfy the conditions. It is also possible to receive widow's pension, industrial injuries benefits and war pensions abroad.

If you have been receiving Attendance Allowance or Disability Living Allowance since before 1 June 1992, you may be able to continue to receive the benefit if you move to another EU/EEA Member State. Otherwise, entitlement to these benefits will cease if you move abroad.

If you are living abroad when your husband or wife dies you can still get bereavement benefits. If you are a widow/widower getting a bereavement benefit and want to know about going or living abroad, consult an experienced adviser at Citizen's Advice Bureau.

Other countries

Most UK benefits, other than the state pension, cannot be paid if you move to live abroad. It may be possible to receive widow's pension, industrial injuries benefits, war pensions, and long-term Incapacity Benefit, if the country to which you are going has an agreement with the UK which provides for the export of these benefits. Find out if there are any of these benefits to which you may be entitled in the country where you move to before you move.

Occupational and personal pensions

If you receive an occupational pension from a former employer or a personal pension, contact your pension provider to find out about arrangements for having this paid to you if you move abroad.

Tax and inheritance law

Tax laws vary from country to country and may apply to worldwide assets in addition to those assets in the country of residence. National laws governing inheritance and gifts tax differ, and may be payable on transfers between spouses and for worldwide assets. You will need professional legal and financial advice on national requirements. The Inland Revenue has an International Centre for non-residents of the UK, which can advise you about what they consider to be non-resident for tax purposes, and which kinds of income may be taxable in the UK (see end of sheet for details).

Housing – buying a property

Overseas property exhibitions can give a good idea of prices, which may help you focus on a specific country or area. But if you buy without visiting the property, you won't know anything about the area around it.

Many television programmes have focused on the joys and pitfalls of buying abroad. If you have never renovated a property, it may be worth thinking hard before you buy a cheap property that needs a lot of work – unless you are skilled yourself, or know how to get planning permission and choose builders and architects, you could spend far more than if you buy a property that already offers what you're looking for. Some local areas have restrictions, for example if you live in a picturesque village there may be demands about how often you paint the outside of your house, or which colours you can use.

Access rights, boundaries and building deeds should be clear – you need to know exactly what you will own to avoid a later dispute. Check what planning permissions have been granted in the area, whether other properties nearby are up for sale.

Viewing inspections where your expenses are paid are often opportunities for estate agents to pressurise people into buying – it is better to arrange an inspection trip yourself and make sure you have some independent advice.

The cost of repairs and upkeep of the household are as important in the long term as the price of the house. Check the relative costs of fuel, transport, community charges, as well as costs of repair work, such as plumbing, building and electrical work – labour and parts.

Health

Find out as much as possible about health and social care provision and costs in the country you are planning to live in.

Paying for Treatment

The UK has mutual health care agreements with many countries, but these may not cover all the expenses you can incur. These may not entitle you to free treatment but only to reduced cost treatment

Your entitlement as a visitor may be quite different to your entitlement as a resident. You will need to seek expert advice about this before you move to understand clearly what your situation is. Find out about comprehensive health insurance to cover private medical and dental treatment plus medical repatriation to the UK if necessary.

Will I be entitled to health care services?

Most UK nationals who are resident in another country are not entitled to free UK health service treatment, and are not advised to visit the UK for the purpose of obtaining NHS treatment, as they would normally be charged for such treatment. People coming to live in the UK as their permanent home, and who can show evidence to this effect, are entitled to the same NHS treatment as other UK residents.

UK pensioners officially resident in another EU country have the same entitlement to health care treatment as a national in the country they are living in. It is important to establish what services exist, as these will not be the same as in the UK. In particular, certain health services such as district nursing may be rare or not exist at all, and privately-run alternatives may prove costly. The UK cannot assist with such costs.

If you are planning to live in an EEA country but will also be spending at least 6 months out of every 12 months in the UK, you would still be regarded as ordinarily living in the UK for hospital treatment, as long as you are not registered as a permanent resident in the EEA country. Bear in mind that if you defer your pension, these entitlements will not apply.

You are strongly advised to find out about how healthcare costs would be covered. To find out more about the country where you intend to reside, the Pension Service's International Pension Centre has a Medical Benefits Section which can advise you about reciprocal arrangements and your entitlement to health cover (see details at the end of this sheet). It is advisable to take out insurance for private medical and dental treatment, as well as for medical repatriation to the UK in case you become ill.

Other sources of information

The Foreign & Commonwealth office leaflet 'Retiring Overseas'.(address at end of sheet)

New NHS Restrictions have Repercussions for Expats by Peter Pallot (22 March 2003). Website: www.telegraph.co.uk

Contact the British Consulate of the country you are planning to move to.

Residential status

Will I qualify for residential status?

Contact the embassy or consulate for information about residency requirements. You may be required to fulfil certain criteria, such as a minimum level of income, in order to qualify for residential status. If you are planning to return to your country of origin, it is a good idea to establish what your entitlements are, and whether it will be necessary to complete any documentation to ensure your eligibility. The Pension Service's International Pension Centre (see end of sheet for details) can offer advice about transferable social security benefits and entitlements.

Legal issues

Do I know about laws that may affect me?

For example planning laws – these vary enormously in terms of what you need permission for, how you go about obtaining permission, and the costs involved.

Will I still be entitled to vote?

If you are already registered to vote, you keep the right to vote in general and European (but not local) elections for up to 15 years afterwards. You need to tell the electoral registration office of the local authority you are currently living in. You can vote by post or by proxy.

What if I want to return to the UK?

Many people who leave the UK to live abroad don't intend to return, but you may change your mind, or your circumstances may change. If you do, you may not have an automatic entitlement to certain benefits in the UK when you return. See information sheet IS2 *Information for people moving back to the UK*.

Useful contacts

Age Concern España, Apartado 7, 07180 Santa Ponsa, Mallorca. Tel: (+34) 971 23 15 20. Website www.wacespana.org, email: federation@ageconcern-espana.org

Foreign and Commonwealth Office, King Charles St, London SW1A 2AH. General enquiries: Tel. 020 7270 1500. Service for Britons overseas: 020 7008 0117. Website: www.fco.gov.uk.

The Foreign and Commonwealth Office will provide contact details for the British Consulate, Embassy or High Commission in the relevant country. The Consular Division assists UK citizens who find that they are in difficulty abroad.

Inland Revenue International Centre for Non-Residents, St John's House, Merton Road, Bootle, Merseyside L69 9BB, tel 0845 070 0040 if in the UK (local rate call) or +44 0151 210 2222 from outside the UK. Website: www.hmrc.gov.uk.

Pension Service International Pension Centre, Tyneview Park, Whitley Road, Benton, Newcastle upon Tyne NE98 1BA. Tel: 0191 218 7777. Website www.dwp.gov.uk or www.thepensionservice.gov.uk. Medical Benefits Section tel: 0191 218 7547.

Website www.direct.gov.uk has a section on Britons abroad and the issues to consider about retiring abroad.

The following organisations are represented in several regions outside the UK:

The Royal British Legion, 48 Pall Mall, London SW1Y 5JY. Tel 08457 725725. Website www.britishlegion.org.uk.

Soldiers' Sailors' & Airmen's Families Association (SSAFA), 19 Queen Elizabeth Street, London SE1 2LP. Tel: 0800 731 4880. Website www.ssafa.org.uk

Further reading

Retiring to Spain by Cyril Holbrook, price £7.99, is available from Age Concern Books, Unit 5/6, Industrial Estate, Brecon, Powys LD3 8LA, tel: 0870 44 22 120 (national call rate). To order, please telephone our hotline (9am-7pm Monday to Friday, 10am-5pm Saturday): **0870 44 22 120** (national call rate), or visit our **website: www.ageconcern.org.uk/bookshop** (secure online bookshop).

If ordering by post, please send a cheque or money order, payable to Age Concern England, for the appropriate amount plus p&p to Age Concern Books, Units 5 & 6, Industrial Estate, Brecon, Powys LD3 8LA.

(Postage and packing: mainland UK and Northern Ireland: £1.99 for the first book, 75p for each additional book up to a maximum of £7.50. Free on orders over £250. For customers ordering from outside the mainland UK & NI: credit card payments only; please telephone the hotline for international postage rates or **email: sales@ageconcernbooks.co.uk**).

If you would like

- to receive this information in large print

phone 0800 00 99 66 (free call) or write to Age Concern FREEPOST (SWB 30375), Ashburton, Devon TQ13 7ZZ. Find out more about Age Concern England online at www.ageconcern.org.uk

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