



## GES Employment Tax Pensions



Deloitte's GES Employment Tax Pensions team advises corporate, trustee and individual clients on domestic and international pension matters. We provide tax, governance and strategic advice to employers operating UK and non-UK retirement plans, including bespoke tax advice on cross-border retirement positions for individuals and trustees.



### Deloitte's GES Employment Tax Pension team – supporting our clients

#### International Pension Plan advisory

Many employers operate 'correspondingly-approved' International Pension Plans ("IPPs") for individuals working in the UK. With the ever-changing and increasingly complex tax and regulatory environment directly affecting these plans, there is increased scrutiny from tax authorities. We support employers and trustees of these plans in:

- Structuring governance frameworks to comply with tax withholding obligations
- Identifying historic tax exposures and ways to resolve them
- Implementing cost reduction strategies for ongoing plan operation
- Assisting with double tax treaty claims, payroll services and reporting obligations

#### International retirement savings plans

Ranging from the design and implementation of global retirement plans for nomadic employee populations, through to specialist advisory services relating to developing retirement savings regimes, we help to:

- Implement bespoke retirement solutions for key employees
- Advise on requirements in other jurisdictions, such as the Middle East, to respond to changes in local regulations e.g. on end of service benefits/retirement
- Embed and enhance robust governance frameworks into existing plans

#### UK pension plan advisory

Providing support for employers and members of UK registered pension schemes, including:

- Annual Allowance and Lifetime Allowance calculations and advice, including employee training
- Designing and implementing alternative retirement/life assurance solutions
- Implementing and structuring Excepted Group Life Policies for employees or partners
- Transfers to or from SIPPs, QROPS and other international retirement plans

#### Cross-border pension scheme support

Adopting the right strategy for internationally mobile employees ("IMEs") can be expensive and complicated. We support clients in understanding the tax and regulatory implications of IMEs remaining in home country pension schemes whilst on assignment. This advice includes:

- Identifying the income tax, social security, corporate tax and the estate/inheritance tax implications for employees and employers
- Advising on the tax withholding and reporting obligations for contributions to, and distributions from, plans
- Defining, building and implementing alternative pensions savings strategies for employers with globally mobile populations where the 'home country' model is not appropriate

#### Global pension plan governance

We assist clients in reviewing the tax and regulatory frameworks associated with the operation of locally approved pension plans globally by:

- Reviewing the tax, withholding and reporting obligations in each location
- Reviewing country-specific plans e.g. end of service benefit plans
- Advising on how to correct any identified tax withholding or reporting failures
- Enhancing governance frameworks to improve future compliance

#### Trustee and individual pension advisory

Our experienced team support trustees and beneficiaries of IPPs seeking to understand the tax implications of a distribution and/or transfer from non-UK based retirement plans, including:

- UK and overseas tax and social security advice
- The application of Double Tax Treaties
- Tax withholding and reporting obligations on the distribution and/or transfer
- Liaison with UK and overseas tax authorities



## Our Experience in practice

### Case study 1

#### Global domestic plan review

##### What did we do?

We conducted a review of the income tax and withholding obligations in 38 jurisdictions for locally approved pension plans and end of service gratuity schemes.

##### Benefit for the client

The client was able to identify its withholding and reporting obligations in respect of distributions from each of the pension plans, as well as confirming where these obligations fell on the third party administrator.

Areas of non-compliance were remediated and updates were made to the client's processes to provide enhanced levels of future assurance.

### Case study 2

#### Cross-border pension scheme analysis

##### What did we do?

We analysed the UK tax and regulatory implications where individuals remained in their home country pension plans whilst working in the UK on assignment.

##### Benefit for the client

There are various forms of UK tax relief available where individuals work in the UK but remain members of their home country pension plans. Understanding the basis on which such UK tax relief is available was critical to ensuring the client adopted the correct tax reporting / withholding position on these contributions and distributions.

Our analysis extended to income taxes, social security charges, corporation tax and inheritance tax positions. It also identified when and on whom downstream reporting and withholding obligations existed.

### Case study 3

#### International Pension Plan establishment

##### What did we do?

We worked with our client to determine both the appropriateness and permissibility of their existing pension arrangements for individuals resident across a number of locations. We also modelled alternative pension provision options from a cost, compliance, legal and administrative perspective.

##### Benefit for the client

The client had been told by its existing pension scheme administrator that non-UK resident individuals could no longer participate in its UK pension plan.

We developed a cost effective and compliant alternative pension arrangement for those individuals impacted, and worked with the client and the existing administrator to agree a process to transition these individuals out of the plan and into an alternative arrangement.

### Case study 4

#### International Pension Plan governance advisory

##### What did we do?

We conducted a review of multiple non-UK based IPPs for our client's globally operating employee base.

##### Benefit for the client

We identified changes to tax positions, withholding obligations and reporting requirements that had evolved since the inception of the pension plans. We identified and implemented process improvements to embed our client's tax risk management approach into the operation of the plans.

The above benefits were achieved in a cost efficient manner—employing process mapping, adopting standard position agreements etc., thereby reducing unnecessary employer and trustee administration.



## Deloitte contacts

If you would like further information please speak with your usual Deloitte contact or speak to one of the specialists below who would be happy to help you.



#### Chris Bulleyment

020 7007 2610  
[cbulleyment@deloitte.co.uk](mailto:cbulleyment@deloitte.co.uk)

#### Varinder Allen

020 7007 0408  
[vallen@deloitte.co.uk](mailto:vallen@deloitte.co.uk)

#### Akua Baah

020 7303 8174  
[abaah@deloitte.co.uk](mailto:abaah@deloitte.co.uk)

#### David Williams

020 7303 2023  
[dwilliams@deloitte.co.uk](mailto:dwilliams@deloitte.co.uk)

#### Samuel Wilson

01293 76 1398  
[samwilson@deloitte.co.uk](mailto:samwilson@deloitte.co.uk)

#### Urooj Ali

020 7007 7554  
[uroali@deloitte.co.uk](mailto:uroali@deloitte.co.uk)

#### Arun Kundi

020 3741 2820  
[akundi@deloitte.co.uk](mailto:akundi@deloitte.co.uk)

#### Asha Pindoria

020 7303 7587  
[apindoria@deloitte.co.uk](mailto:apindoria@deloitte.co.uk)

#### Sarah Richardson

020 8071 0845  
[srrichardson@deloitte.co.uk](mailto:srrichardson@deloitte.co.uk)

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