



Things to consider when coming to live and work in the UK

UK Taxation

The first issue that needs to be considered by an individual who is temporarily or permanently residing in the UK (an "expat") is at what point do they become UK tax resident.

This is established via a formulaic assessment taking into account a number of "ties" in a statutory residence test including, for example:

- Do they have UK resident family?
- Did they have UK employment for over 40 days?
- Did they have accessible UK accommodation available for 91 days and spent 1 night there?
- Were they present in the UK for more than 91 days in the previous 2 years?

The number of "ties" met along with the number of days the expat spends in the UK are used to determine UK tax residency.

Expats who are tax resident in the UK are liable to tax in the UK on their worldwide income however expats who are regarded as non-domiciled in the UK may elect to not to be liable to tax on offshore income and capital gains as long as the funds are not remitted to the UK, which is called the remittance basis.

The remittance basis charge applies to expats who have been resident in the UK for more than 7 of the past 9 years and for the current tax year the charge is £30,000. This rises to £60,000 for non-domiciled individuals who have been UK resident for at least 12 of the previous 14 tax years.

Several countries have tax treaties in place to determine the rate at which a non-resident will pay tax on their income when they relocate and this is to avoid double taxation between their home country and the UK.

Most expats are entitled to the UK personal tax allowance which is currently £12,500. This reduces if the individual's income exceeds £100,000 during the UK tax year which ends on 05 April. If the taxpayer elects to be taxed on the remittance basis then the UK personal tax allowance will end as will other UK tax reliefs.

As a guide UK personal tax rates are currently:

- 20% on earnings between £12,001 - £50,000
- 40% on earnings between £50,001 - £150,000
- 45% on earnings over £150,001

There are different tax rates for people living in Scotland and also different tax rates for people receiving dividend income, savings interest or capital gains.

Social Security

- An expat would normally apply for a National Insurance number against which their social security payments will be credited however this may not be necessary if they are arriving from an EEA country and have a portable A1 document which confirms that they are paying social security contributions in that EEA country. This will exclude them from making further social security payments in the UK.
- If they are arriving from a non EEA country they may still be able to obtain an exemption if that country has a bilateral agreement on social security with the UK.

Bank Accounts

- If the expat wishes to open a UK bank account (which would be advisable), they will need to visit a bank in person and provide a copy of their visa, proof of identity and UK residential address (required due to money laundering legislation).
- If opening a business account then proof of incorporation will also be required.
- Any savings held by UK banks are protected by the Financial Services Compensation scheme (FSCS) up to an amount of £85,000.
- If moving between various countries opening an International bank account may be useful.

Schools

- Children arriving in the UK have the right to attend state funded schools in the UK. Citizens from non EEA countries should ensure that their child's visa entitles them to enter a country to attend a state funded school and this is the responsibility of the parent, not the school.
- This does not apply to children from non EEA countries who are here as short term visitors such as tourists or to visit family.
- Further information is available at www.gov.uk/education.

National Health Service (NHS)

- Free medical treatment is generally available to people who are classed as ordinarily resident in the UK and this is not dependent on nationality.
- If you are not ordinarily resident in the UK you will be classed as a temporary visitor and may be charged for NHS services.
- For further guidance see <https://www.gov.uk/guidance/nhs-entitlements-migrant-health-guide>.



Get in touch

Derby
St Helens House, King Street, Derby, DE1 3EE
01332 332021

Ashbourne
7 Compton St, Ashbourne, DE6 1BX
01335 343141

Nottingham
2 Lace Market Square, Nottingham, NG1 1PB
0115 495 4300

Telford
M54 Space Centre, Halesfield Business Park, Telford
TF7 4QN
01952 601052

Birmingham
158 Edmund Street, Birmingham, B3 2HB
0121 236 6789