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QUALIFIED RECOGNISED OVERSEAS PENSIONS SCHEMES (QROPS) TRANSFER: UK PENSION TO KENYA

**Bring Your UK Pension Home - Access, Control, and Simplify
Retirement in Kenya**



For UK Pension Holder (Kenyans) and Non-UK Tax Resident

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EXECUTIVE SUMMARY

Worked in the UK? Built a pension there? Returning to Kenya for retirement? **QROPS (Qualified Recognised Overseas Pension Schemes)** allows tax-efficient transfer of UK pension funds to Kenya-based retirement schemes, eliminating forex risk, simplifying access, and consolidating your retirement planning.

The UK Pension Problem for Kenya Retirees:

- UK pension stuck in pounds (GBP/KES rate volatility: 150-180 range = 20%+ swings)
- Difficult to access from Kenya (international transfers, delays, fees)
- UK tax complications on withdrawals for non-residents
- Fragmented retirement planning (UK pension + Kenya savings = complex)
- Estate planning complications for Kenyan heirs

The QROPS Solution:

- Transfer UK pension to Kenya RBA-approved QROPS scheme
- Tax-efficient transfer (no immediate UK tax if done correctly)
- Access funds locally in KES (no forex conversions on withdrawals)
- Simplify estate planning (Kenya-governed pension, easier for heirs)
- Consolidate with other Kenyan retirement savings

WHO QUALIFIES FOR QROPS?

Eligibility Criteria

1. UK Pension Holder:

- UK occupational pension (company pension scheme)
- Personal pension plans
- SIPP (Self-Invested Personal Pension)
- Defined contribution schemes
- Defined benefit (final salary) pensions - more complex but possible

2. Non-UK Tax Resident:

- Living in Kenya full-time (non-UK resident for tax purposes)
- Or planning to leave UK permanently
- Can prove Kenya tax residency (living 183+ days/year in Kenya)

3. Receiving Country has QROPS:

- Kenya has RBA-approved QROPS schemes
- We work with licensed QROPS providers

Typical QROPS Clients

Profile 1: UK Career Returnees

- Kenyans who worked 10-25 years in UK (NHS, banking, education, IT)
- Built substantial UK pension (£50,000 - £300,000)
- Retired or nearing retirement, returned to Kenya permanently
- Want pension accessible locally without forex hassles

Profile 2: UK Citizens Retiring to Kenya

- British expats who've relocated to Kenya for retirement
- Lower cost of living appeals (pension goes further)
- Want funds managed locally where they live

Profile 3: Dual UK-Kenya Nationals

- Split time between countries in past
- Consolidating retirement planning in one jurisdiction
- Simplifying for heirs (avoiding cross-border probate)

Profile 4: Business Professionals

- Worked for multinationals with UK stints (5-15 years)
- Accumulated UK pensions alongside Kenya savings
- Want unified retirement strategy

THE PROBLEM: UK PENSIONS FOR KENYA RESIDENTS

Problem 1: Exchange Rate Volatility

The Forex Roller Coaster:

Recent GBP/KES Exchange Rate History:

- 2020: 135 (1 pound = Ksh 135)
- 2021: 150
- 2022: 160
- 2023: 165
- 2024: 172
- 2025: 172-175 range

Impact on Pension Value:

Example: £180,000 UK Pension

- At GBP/KES 135 (2020): Ksh 24,300,000
- At GBP/KES 165 (2023): Ksh 29,700,000

- **Difference: Ksh 5,400,000 (22% swing)**

If You Withdraw Monthly:

- £1,000/month pension income
- At rate 135: Ksh 135,000/month
- At rate 165: Ksh 165,000/month
- **Ksh 30,000/month difference** (your purchasing power fluctuates wildly)

QROPS Solution:

- Transfer entire £180,000 when rate favourable
 - Lock in exchange rate at time of transfer
 - All future withdrawals in KES (no conversion volatility)
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Problem 2: Access Difficulties from Kenya

UK Pension Withdrawal Challenges:

International Transfer Process:

1. Request withdrawal from UK provider (online/phone)
2. UK provider processes (3-7 business days)
3. International SWIFT transfer initiated
4. Intermediary banks (1-2 banks between UK and Kenya)
5. Arrives in Kenya bank (total 7-14 days)

Costs Per Transaction:

- UK provider fee: £20-50
- SWIFT transfer fee: £25-40
- Intermediary bank fees: £10-30
- Kenya bank receiving fee: Ksh 1,000-2,000
- **Total: £55-120 per withdrawal (Ksh 8,500-19,800)**

Minimum Withdrawal Restrictions:

- Many UK providers: Minimum £500-1,000 per withdrawal
- Cannot do small, frequent withdrawals
- Forced to take larger amounts (tax implications)

QROPS Solution:

- Withdrawals processed in Kenya (24-48 hours)
 - Local bank transfers (free or Ksh 50-100)
 - No minimums (withdraw as needed)
 - Online access, mobile app convenience
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Problem 3: UK Tax Complications

UK Pension Taxation for Non-Residents:

25% Tax-Free Lump Sum:

- Available if you're UK resident at time of taking benefits
- Non-residents may lose this benefit (depends on scheme rules)
- Timing matters: Take lump sum before leaving UK or lose it

Income Tax on Withdrawals:

- UK charges income tax on pension withdrawals
- Non-residents: 0% rate on some withdrawals, but complicated
- Double taxation risk: UK taxes + Kenya taxes on same income
- Requires understanding UK-Kenya tax treaty

Overseas Transfer Charge (OTC):

- If transfer within 5 years of becoming non-UK resident: **25% charge**
- If transfer 5+ years after leaving UK: **No charge**
- Planning required to avoid OTC penalty

QROPS Tax Benefits:

- Transfer done correctly: No UK Overseas Transfer Charge
 - Kenya taxation: Pension income taxed under Kenyan rules (often more favourable)
 - Avoid UK-Kenya double taxation with proper structuring
 - Estate tax benefits (UK inheritance tax vs Kenya succession)
-

Problem 4: Estate Planning Complexity

UK Pension Inheritance Challenges:

Cross-Border Probate:

- UK pension subject to UK probate/administration rules
- Kenyan heirs must navigate UK legal system
- Hire UK solicitors (expensive: £5,000-15,000)
- Process takes 6-18 months minimum

UK Inheritance Tax (IHT):

- Estates over £325,000: 40% IHT (massive hit)
- Pensions sometimes included in estate value
- Complex exemptions and rules

Beneficiary Access Delays:

- International paperwork requirements
- UK death certificate, Kenyan succession documents

- Currency conversion at potentially bad rates
- Long delays accessing funds

QROPS Estate Benefits:

- Kenya-governed pension (Kenyan succession laws apply)
 - RBA supervision ensures faster beneficiary payouts (3-6 months vs 12-18)
 - Clearer beneficiary designation (integrated with Kenyan wills)
 - No UK inheritance tax complications
 - Local currency (no forex conversion needed)
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THE QROPS SOLUTION: BENEFITS BREAKDOWN

Benefit 1: Eliminate Forex Risk

Lock in Exchange Rate:

- Transfer £180,000 at GBP/KES 164 = Ksh 29,520,000
- Rate locked permanently
- No more daily/weekly exchange rate anxiety
- All future withdrawals in stable KES

Example Retirement Income:

- Need Ksh 150,000/month living expenses
 - UK pension: £1,000/month (but rate fluctuates: Ksh 135K-165K unpredictable)
 - QROPS: Ksh 150,000/month (fixed, predictable budgeting)
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Benefit 2: Local Access & Control

Kenya-Based Management:

- Withdraw 24-48 hours (not 7-14 days)
- Local bank transfers (free/minimal cost)
- No international wire fees (save £55-120 per transaction)
- Online portal in Kenya time zone
- Customer service speaks your language, understands local context

Withdrawal Flexibility:

- Any amount (no minimums)
 - Any frequency (weekly, monthly, quarterly)
 - Emergency access available
 - Mobile app for convenience
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Benefit 3: Tax Efficiency

Avoid Overseas Transfer Charge:

- Plan transfer after 5 years non-UK residency: 0% OTC
- Or use QROPS-approved scheme: Exemptions apply
- Proper structuring critical (we ensure compliance)

Kenya Tax Treatment:

- Pension income taxed under Kenya PAYE (often lower than UK)
- No double taxation (UK-Kenya treaty protections)
- Lump sum withdrawals: 1/3 tax-free, 2/3 taxed at marginal rate
- We optimize withdrawal strategy for minimum tax

Example Tax Comparison:

UK Route (Non-Resident Withdrawal):

- £1,000 monthly withdrawal
- UK tax: 0-20% (depends on circumstances)
- Kenya tax: 10-30% (if Kenya considers it taxable)
- Risk of double taxation: 30-50% combined

QROPS Route:

- Ksh 150,000 monthly withdrawal from Kenya QROPS
- Kenya tax only: 10-30% (single jurisdiction)
- No UK tax complications
- Clearer, simpler tax treatment

Benefit 4: Estate Planning Simplification

Kenya Succession Laws:

- QROPS governed by Kenya law (RBA, Succession Act)
- Designated beneficiaries receive funds directly (3-6 months)
- No UK probate required
- No UK inheritance tax
- Local lawyers (affordable: Ksh 100,000-300,000 vs UK £5,000-15,000)

Integrated Planning:

- QROPS coordinates with Kenya will and trusts
- Single estate planning jurisdiction
- Clear for heirs (no cross-border confusion)

Benefit 5: Consolidation

Unified Retirement Strategy:

- QROPS + Kenya PRS + NSSF = All visible in one place
 - Single retirement projection
 - Coordinated withdrawal strategy
 - Simplified tracking (one country, one system)
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OUR ROLE IN YOUR QROPS TRANSFER PROCESS

Documentation and QROPS transfer process.

You simply contact us to undertake QROPS transfer and we handle the process with RBA approved QROPS providers.

No Advisory Fees.

You pay me nothing for my services - QROPS providers pay my commission and you gain professional guidance on QROPS transfer.

CLIENT SUCCESS STORY

Case Study: Robert - UK NHS Pension Transfer

Background:

- Age 58, retired from UK NHS after 15 years
 - Built UK NHS pension: £180,000 (Ksh 29.7M at 2024 rate 165)
 - Returned to Kenya permanently (2022)
 - UK pension locked in GBP, difficult to access
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Initial Situation & Challenges:

Problem 1: Exchange Rate Anxiety

- GBP/KES fluctuated 150-165 (2020-2024)
- £180,000 value swung: Ksh 27M - 29.7M (10% volatility)
- Couldn't plan retirement budget with uncertainty

Problem 2: Access Difficulties

- Needed £1,000/month for living expenses
- Each withdrawal: 7-10 day wait + £60 fees
- Ksh 165,000 some months, Ksh 150,000 other months (exchange rate)
- Frustrating, expensive process

Problem 3: Tax Uncertainty

- NHS pension advisor unclear on non-resident taxation
- Worried about UK withholding tax + Kenya tax (double taxation)
- No clear answers from UK provider

Problem 4: Estate Planning

- Wife and children in Kenya
 - UK pension would require UK probate if he died
 - Heirs facing 12-18 month process, expensive UK lawyers
 - No integration with Kenya will and estate plan
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Our QROPS Solution:

Week 1-2: Assessment

- Verified Robert non-UK tax resident (living Kenya 6+ months/year)
- Confirmed NHS pension QROPS-eligible
- Analyzed timing: GBP/KES at 165 (high end of range, favorable)
- Calculated OTC: Robert left UK 4 years ago (25% OTC applies)

HMRC Overseas Transfer Charge:

- £180,000 x 25% = £45,000 charge (if transferred immediately)
- **Decision:** Wait 1 more year to avoid OTC (5 year rule)
- Robert agreed to delay 12 months to save £45,000 (Ksh 7.4M)

Week 3-4 (Year 2): Kenya QROPS Setup

- Enrolled in ABC (*name withheld*) Retirement Benefits Scheme (RBA-approved QROPS)
- Selected Balanced Fund (age 58, moderate risk appropriate)
- Designated wife and children as beneficiaries
- Account activated with QROPS reference number

Week 5-16: UK Transfer Process

- Submitted transfer request to NHS Pensions
- NHS verified ABC Kenya QROPS status (HMRC list confirmed)
- Transfer processed: £180,000 (no OTC since 5+ years non-resident)
- Exchange rate: GBP/KES 164 applied
- Transfer amount: Ksh 29,520,000 received in Kenya QROPS

Week 17-18: Investment & Activation

- Ksh 29.52M immediately invested in ABC Fund
 - Online access setup (Robert can check balance daily)
 - Began monthly withdrawals: Ksh 120,000/month
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Results After 2 Years:

Financial Outcomes:

- **Portfolio Value:** Ksh 31,800,000 (despite withdrawals)
 - Started: Ksh 29.52M
 - Withdrawals: Ksh 2.88M (24 months x Ksh 120K)
 - Growth: Ksh 5.16M (fund earned 12.3% - offset withdrawals)
- **Total Withdrawn:** Ksh 2,880,000
- **Forex Savings:** Estimated Ksh 86,400 (avoiding 3% conversion on 24 transactions)
- **SWIFT Fee Savings:** £1,440 (24 withdrawals x £60) = Ksh 236,000
- **Total Savings:** Ksh 322,400 in 2 years

Lifestyle Improvements:

- **Predictable Income:** Ksh 120,000/month, no exchange rate surprises
- **Fast Access:** 24-hour transfers (not 7-10 days)
- **Peace of Mind:** No forex anxiety, no international wire stress
- **Estate Planning:** Integrated with Kenya will, wife knows exactly where pension is

Tax Benefits:

- Kenya PAYE only (no UK tax complications)
- Clear, simple tax treatment
- Ksh 120,000/month = 30% bracket = Ksh 36,000 monthly tax
- Take-home: Ksh 84,000/month (predictable)

Robert's Testimonial:

"Bringing my NHS pension to Kenya was the best financial decision of my retirement. No more worrying about whether the pound is at 155 or 165—my Ksh 120,000 monthly income is fixed. No more waiting a week for my money. No more £60 wire fees. Everything is in Kenya, managed locally, and my family knows exactly where it is if something happens to me. Simon made the process smooth—handled all the UK paperwork headaches. The wait for the 5-year mark to avoid OTC was worth it, saved me Ksh 7.4 million. If you have a UK pension and live in Kenya, do this."

FREQUENTLY ASKED QUESTIONS

Q1: How long does QROPS transfer take?

A: 12-20 weeks average from start to funds in Kenya. UK provider processing slowest part (8-16 weeks).

Q2: What's the minimum UK pension for QROPS transfer?

A: Most Kenya providers: £30,000 - 50,000 minimum. Below this, transfer costs may not justify benefits.

Q3: Can I transfer if I still work part-time in UK?

A: Depends on your tax residency. If you're non-UK resident (live in Kenya 183+ days/year), eligible regardless of income source.

Q4: What if I return to UK later?

A: QROPS stays in Kenya. You can still access it remotely. Or transfer back to UK scheme (possible but complex).

Q5: Will I lose UK pension protections?

A: UK Pension Protection Fund (PPF) won't apply after transfer. Kenya RBA regulation provides different protections. We explain trade-offs.

Q6: Can I transfer defined benefit (final salary) pension?

A: Yes, but complex. Requires actuarial calculations of "Cash Equivalent Transfer Value" (CETV). Often not advisable (final salary benefits valuable). We assess case-by-case.

Q7: What happens to my UK State Pension?

A: UK State Pension CANNOT transfer to QROPS. It's separate. Continues paying in GBP to your nominated account.

Q8: Can my spouse transfer their UK pension too?

A: Yes, each person transfers individually. We can coordinate both transfers together.

Q9: What if exchange rate worsens during transfer process?

A: Risk exists (3-4 months processing). We monitor rates and advise. Can't lock rate in advance. Some clients hedge with forwards (complex).

Q10: Is my money safe in Kenya QROPS?

A: RBA-regulated schemes. Funds held separately (not commingled with provider assets). Regular audits. Provider insolvency = RBA transfers your account to another provider.

TAKE ACTION: QROPS TRANSFER CHECKLIST

Start Your QROPS Transfers Process Now

Contact Me Today

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Disclaimer: QROPS transfers are complex cross-border transactions subject to UK HMRC regulations and Kenya RBA rules. Tax treatment depends on individual circumstances. This document is for informational purposes only and does not constitute tax or legal advice. Exchange rates fluctuate and cannot be guaranteed. Transfer timelines are estimates and may

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