KNOW BEFORE YOU GO

Heading off blindly to a foreign country would seem pure madness without finding out some essential facts to help you prepare beforehand – therefore, it pays to invest some quality time in research before you make any long-term decisions, says **Jane Cahane**

If you are being posted abroad for an overseas secondment, or are considering moving to sunnier climes to enjoy your hard-earned retirement, your first thought may not be to work out all the legal and tax implications of moving house. Nevertheless, this is clearly something you must do. The trouble is, where do you start, and is it possible to do it all yourself, or should you rely on the help and advice of dedicated experts?

Overseas secondment

Generally speaking, most companies that send their employees abroad will foot the bill for most if not all of the immediate expenses. They will also find you a property to live in, at least for the short term, relying on their own bilingual property search or relocation service contacts to help you find a place that is suitable for you. If you subsequently decide to search for a property yourself, you can either use the same property contacts again or find similar agents to guide you through the process.

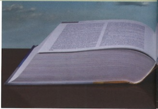
Your employers will usually organise your visas and healthcare insurance provision (essential for any posting to the US), and ensure your income is paid and taxed appropriately.

For example, unless you are working for a UK company and will be paid in sterling and with UK taxes deducted, you are likely to continue to pay National Insurance contributions in the UK for the first 52 weeks only, after which you will switch to the tax system of your new country of residence. The same applies to any tax on income from your pensions and savings, although this may be complicated by other factors – check out www.hmrc.gov.uk for details on double-taxation agreements between the UK and other EU countries.

How soon the switch of residency occurs will depend on your new country's laws – for example, Spain considers you legally resident if you live there more than 183 days per year, whereas France considers you resident as soon as you arrive if your purpose is to live there. It is much harder to obtain residency in countries such as the US and Australia, so make sure you are clear on the procedures well before you go.

Another factor you may need to consider is what to do regarding any property you own in your country of domicile. If you are posted abroad but plan to return to the UK after your term of service, you will probably wish to rent out your UK property. However, being a landlord requires a certain commitment to maintaining the property in good condition as well as managing tenants, and there may be void periods when the property is not rented out, which could affect your mortgage repayments.

Your property will be subject to UK tax, and you are liable for UK inheritance tax (IHT) if your



permanent home is in the UK. You should also be aware of changes to UK laws, such as the Tenancy Deposit Protection Act 2007, which is now a legal requirement for landlords in order to safeguard deposits made by tenants.

Unless you are regularly returning to the UK or are able to manage the property through a family member, you should enlist the services of an estate agent or property letting service. You may decide, on balance, that you and your family will be better off selling your UK home and buying overseas for the duration of your posting, provided you buy a property with good resale potential.

Retiring abroad

Clearly, if you dream of retiring abroad, it makes sense to read up on and visit the area you like in advance to find out what the local amenities and infrastructure are like – particularly important is how close the property is to an airport with regular, low-cost flights.

You should visit the area several times, speak to locals, get a feel for the area, and ensure you have been there in all seasons, as many shops or businesses may be closed after the tourists leave.

Unless you are planning on living in an expatriate-dominated area such as the Dordogne or the Costa del Sol, you will need to study the language and read

"As an expat moving to a new country, don't make major decisions regarding housing until you know how long you are going to stay. It's always a good idea to plan to rent for at least three months as you get familiar with the neighbourhoods in your new city. "

Tahminae Madani, director, France Home Finance