

Global Families:

Personal connections reaching around the world mean an increased need for great value international payments







Families come in all shapes and sizes. These days, thanks to global mobility and broader horizons, we can have family members all over the world. We take a look at the many wonderful variations of global families and celebrate those with connections in other countries.



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More and more people have connections overseas – from parents who retired to the sun and siblings or children working and studying overseas to shared family holiday properties, international in-laws and even destination weddings. These help create family connections in different countries.



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5 key considerations to make when retiring to the sun

Many Brits choose to retire overseas to enjoy a life in the sun, and in a country where there is a more relaxed pace of life. Here are some of the key considerations when embarking on a new phase in your life.



1. Property

If you want to buy a property overseas, a currency specialist can help you make the most of your money when it comes to the deposit, purchase or mortgage payments. Purchase the place in the sun you've been dreaming about by using a range of currency tools.

2. Pension

In some countries you can opt to move your pension to your new home country, but this isn't always the case and sometimes it doesn't offer you the best value. You can work with a currency specialist to set up regular automated currency transfers to send your UK pension payments to your new account overseas.



3. Healthcare

Check the availability of healthcare and exactly what health insurance or private care you might need. Once it's in your budget, you can easily plan to send over your savings, or factor it into your monthly cost, but it's an important aspect to remember when you're making plans.



4. Family

If you're retiring overseas, your family may be further away but that doesn't mean that you will lose touch. As well as social media and technology to help you catch up, you can welcome family for regular visits and provide practical and financial support for afar.



5. Fun

There is a lot to consider if you're retiring abroad, but don't get too wrapped up in to-do lists that make you forget what all this hard work is for. Choose a place that lets you indulge your interests – from a culinary haven in France to living in a property on a golf resort in Portugal.

Managing your pension and investments when living overseas

Transferring your pension overseas

According to the Office for National Statistics, 26% (207,300) of the 784,900 British citizens living in the EU are aged 65 and over.

Spain and Portugal are particularly popular destinations, with sun seekers in this age bracket making up 41% and 39% of the British expat population respectively.

Wherever you settled, if you're relying on your pension income while living overseas, you need to decide whether you wish to keep them in a UK account or transfer them to a Recognised Overseas Pension Schemes (ROPS). The latter will incur fees and you may not have many options that allow you to shop around. For example, the government website only lists one ROPS in the USA. Pension transfers are a vital – and often the main – source of income for retired expats.

Managing income from a state pension

As well as any private pension savings, you may be entitled to a state pension – but if you're planning on moving abroad, check the small print about how much you will be receiving.

In some countries, there is an agreement to honour the "triple lock" protection on the state pension. This means that pensions increase annually by the highest number out of UK earnings, inflation or 2.5%. The agreement currently covers people who are part of the European Economic Area and Switzerland, and also applies in the USA after a recent agreement was reached. However, there are some popular retirement locations where the rule doesn't apply, including Australia and Canada. Lobbyists are working to change the rules, but in the meantime it's worth assuming that your pension won't increase annually if you're moving to certain countries to ensure that your budget is accurate.

Income from investments

As well as income from a pension, you may have additional investments which pay out dividends.

These are less likely to be paid on a monthly basis like a pension. You can still set up automated regular payments at a specified frequency, such as quarterly or annually, but there are alternative ways to transfer this income.



Chasing a career opportunity

There are many reasons to take a job overseas – you might find that it has career benefits, or you might just have a yearning for adventure. If you're planning to take the leap, it's worth stopping to look at the bigger picture before you make the move. Your career aspirations and personal priorities, as well as the role you're undertaking, all have an impact on how valuable an international post may be for you.



Overseas work experience can bring with it a number of benefits. Making a success of your role can help you enhance your career prospects and in addition, living and working abroad can bring with it a number of additional skills, including improved language skills as well as personal organisation and resilience.

There are some challenges, however. If you have strong ties to the UK – whether a financial commitment such as a property or more personal ties such as a relationship or a young family – then you have decisions to make about how long you're away and whether your family can make the move with you. Due to improved communications technology and cheap flights, there is also an option for an international posting to mean being away for part of each month whilst returning home to work remotely for the rest of the time.

It's likely that an overseas posting can pay career dividends in the long term, in the short term it's worth considering the financial aspect. Even with fair remuneration, fluctuations in currency exchange rates may impact the amount of money you have in real terms. The conversion of wages from one currency to another to cover living costs is just one example, and there isn't always a simple solution.

A company could offer to pay a salary in the local currency for the duration of the posting but the chances are that people will still have connections at home. Often in this situation, international workers and commuters have one foot in two different countries, with split costs.

Back to school: Supporting a loved one studying abroad

Universities in Europe, the US, Australia and Asia are keen to recruit English students and international league tables can provide a good starting point when it comes to researching universities around the globe.

Once you've created a shortlist, many other factors come into play including the cost of tuition – which can be cheaper than the UK – and the cost of living as well as the potential language barrier. Many foreign universities offer courses of all types to international students which are taught in English but you may want to have some language skills to avoid feeling isolated.

Germany and the Netherlands are both popular options for British students, having excellent transport links and many courses available in English. The Netherlands has a wide range of courses available for fees of just €1540 per year. However, the Dutch government has warned that these costs may increase significantly post-Brexit. While it is significantly further to travel, China is slowly gaining traction as a popular location to study due to the quality and prestige of courses available. As British students find more and more financial obstacles to attending university, the fact that the Chinese government provides some form of sponsorship or support for 40% of British students may cause more students to consider it worth the trip.

What is Erasmus funding?

Erasmus funding provides support for students across the EU to attend university abroad for a year out. The mobility grant is designed to help support students studying abroad and the additional living and travel costs that may be incurred. The UK government has confirmed that any currently approved or pending applications will be honoured until 2020, but there is no clear picture of whether there will be an alternative source of funding post-Brexit. There is a second round of Erasmus funding with a deadline of October, so it's worth keeping a close eye on the development of the Brexit negotiations to discover whether Erasmus funding is available to UK students for the 20/21 academic year.

Graduate studies

Graduate courses abroad are a popular choice; post-graduate courses provide the opportunity to specialise and often students select their institution based on the specialism and expertise of particular university departments across the world. The advantage is that as well as a qualification, there is the chance to build a network in a chosen field with global experts. Studying abroad on a graduate course is also an opportunity to make the most of the experience because you have the maturity and confidence gained from your undergraduate studies behind you. Whether or not UK students remain eligible for schemes such as Erasmus+, it's worth noting that many overseas universities charge lower tuition fees, including on a number of courses taught in the English language, which may make the prospect of studying in Europe, or further afield, more affordable even without this support.

Counting the cost of studying abroad

The cost of living varies throughout the world so it's worth investigating before a decision is made. For example, one reason that the UK is a popular destination for overseas students is that the courses are more intensive and shorter than elsewhere. If you're studying for a Masters, check the duration of the course and don't forget that you might want to account for at least one trip home in a year of study. Even for students on a scholarship or in receipt of external funding, there are many international payments to be made, from tuition fees to accommodation and living costs. It would be worth the investment; a study of CEOs from some of the world's largest companies (as per the Forbes Global 2000 rankings) has found that around a third of the most prominent executives in the business world benefited from international education.

Family holiday home

If you want to spend more time together as a family and find an affordable way to invest in a holiday property, then investing as a family might be a way to achieve that.

If you club together, you will have a great venue for family get-togethers and a great place for holidays in the future. If you're planning to invest with family members, it's worth working together and agreeing your requirements – and your budget - up front. That can prevent difficulties further down the line, and once you've agreed on the basics you can concentrate on finding the perfect place to buy that suits all those requirements.

Create a time and finance budget

Buying a shared property with other family members obviously spreads the cost, but it will also spread the amount of time you have available. If you had been thinking of renting it out to holiday makers for part of the year, you'll want to calculate how feasible this is if you're all taking turns staying in the property, and perhaps organising an annual trip together. It may still be possible to gain a small income from holiday letting, but it's worth working this out early on to avoid disagreements and frustrations further down the line.

Don't forget maintenance costs

Another area you'll want to agree up front is sharing the maintenance costs. If you buy a managed property, there will be regular management fees which can cover property maintenance, security and even cleaning. This can sometimes take some of the work out of maintaining a property overseas and, if attached to a resort, can provide additional facilities such as a swimming pool, golf course or spa. It certainly provides a simple, "all-inclusive" solution, but may not be an option for properties which aren't attached to a complex. If you're prepared to spend the time finding local cleaning and security services to suit your needs, it may prove to be cheaper in the long run. Working together on renovating and maintaining a property might also provide some excellent family bonding time and a chance to own part of a property you're all emotionally, as well as financially invested in.



How we can help families investing in property together

As a currency specialist, we can provide support and guidance on currency markets, help you set realistic budgets and manage all your international payments online via a secure platform with live statements. That will make it easy for you to manage the cost of your property and get back to enjoying your place in the sun with all the family.

International Families

Marriages often involve people from different countries, helping to build bigger international families and creating connections across the world.

Thanks to global mobility which sees people live and work in different countries, the situation is becoming more common - from international in-laws to global grandparents who retired to a place in the sun, our connections across the world have become part of family life.



Staying connected across borders

Advances in technology have made it much easier to keep in touch with family members, wherever they are. From greater transport links and affordable flights to improved communications technology, distance has become much less of a barrier. Gone are the days of expensive long-distance phone calls with an awkward time delay. Services such as Skype and FaceTime allow people to see each other as well as chat anywhere there is an internet connection. Technology can make both the emotional connection and the practicalities of overseas relationships easier to manage. For example, grandparents who live in sunny Spain can log in to Skype to watch their grandchild blow out the candles on a birthday cake and join in the singing of happy birthday as if they are there in the room.

Supporting family overseas

For many families, regular savings or contributions to everything from birthday gifts to school uniforms can be another way to stay involved. Even if you're settled elsewhere, some new grandparents may choose to book an extended visit to welcome a new family member and provide support. In those cases, being able to send money overseas can help with everything from birthday gifts or much-needed support for cash-strapped students to booking extended trips back home for major events.



Overseas Inheritance

A result of all these global families and international connections is that many more people receive an inheritance from overseas.

As well as managing the overseas legal procedures, local taxes and possibly a property sale, there is the additional need to exchange the currency into sterling to be paid to the beneficiaries. Similarly, the proliferation of people living abroad to work or study means that there may sometimes be a requirement for an executor to pay a UK inheritance in currency.



What are the executor's responsibilities relating to currency exchange?

If a solicitor is acting as the executor of an overseas estate, there are fiduciary responsibilities to act in the best interests of the estate and its beneficiaries to maximise the value of the estate. Of course, an executor is not responsible for the value of the pound or any events that may cause a drop in the value. However, some due diligence regarding the current risks – and opportunities – regarding the pound and any relevant currencies may provide some insight into the best ways to maximise the final value of the estate. It is also important to check whether any currency transfer fees incurred are fair and in line with the market average to ensure that none of the value is lost through excessive or unnecessary fees. Make sure you ask your solicitor how this is being managed, and take steps to manage any currency costs you might incur as a legatee.

Making the most of an overseas legacy

Research shows that the average overseas probate process takes from 12 to 24 months; tools which allow the tracking and targeting of specific exchange rates, together with that expert guidance, can ensure that the best available rate is reached and that you have a clear picture of the final value of the inheritance. It's also worth paying attention to the little details; while most high street banks offer currency exchange services, the rates may not be the best available and the fees may be up to £40 per transaction. Currency specialists may provide better rates and lower fees. In addition, a currency specialist can provide guidance on the currency market and provide access to a range of tools to manage the risk of currency transactions.

Sending money back home

We make sending money back to the UK easy

Living abroad can be a wonderful and enriching experience, whether for a year or for decades. However, for some the call of home means you may have a number of commitments still back in the UK. When you need to send money between foreign and UK bank accounts, you will need to know how to transfer it internationally.

Here's just a few reasons why as foreign exchange specialists we help customers move funds back to the UK.



Maintaining a property

Even if you rent out your current home, there may be maintenance costs and letting agent fees



Supporting elderly parents

If either of your parents are in a nursing home, or need extra care and support, you may need to be sending funds to support them



Personal pension

If you want to keep up payments to a personal pension, consider what you can send over if you are paid in local currency



School fees and university costs

if you choose to educate your children in the UK while you work abroad, you will need to budget for those fees and any children at university may need a little extra help from time to time to supplement their grant



In the age of global families, an international payments account can help you at every stage of your family life

A currency specialist can help with all the international payments relating to moving overseas and supporting family members across the world.

Specialists offer better exchange rates than high street banks, which also charge higher fees - up to £40 per transaction, and when you add up all the payments, it could make a dent in your savings. For example, ongoing monthly maintenance costs or sending a UK pension payment to your new home in the sun could cost you nearly £500 in transfer fees in a single year.

You also benefit from the expertise of a currency specialist, who can provide guidance on the current state of the market which will help you set a realistic budget. You can also learn about the range of tools available for managing international payments.

Understanding the exchange rate

The only time most of us consider the exchange rate is when we're buying currency for an overseas trip but if you've got family across the world, you may already be very aware of how much it changes. The currency market fluctuates constantly, and responds to both predictable and unexpected political and economic news and events across the world. Currency markets are difficult to predict, but you can understand underlying trends and a currency specialist can help you use tools to mitigate some of the risk so that you don't find that your pounds are no longer enough to buy your dream property.

Managing fluctuations in the foreign exchange market

Fluctuations on the exchange rate are rather like the weather – you may have a rough idea of what's to come, but you can't control it and anything could happen in the space of a few hours. Like the weather, however, you can plan for all eventualities. That doesn't mean the equivalent of packing your umbrella and some sun cream every time you go outside, but it does mean weighing up your alternatives and your preferences to make the right decision depending on your requirements, budget, and your attitude to risk.

A forward contract offers budget certainty

If you prefer certainty, you may wish to set up a 'forward contract' to protect against subsequent rate movements because it allows you to lock a prevailing exchange rate for up to two years. (A forward contract may require a deposit.) Fixing the rate means that you can develop a clear budget plan and be certain that any required payments – from property purchases to a destination wedding or overseas tuition fees – can be made in full and will be affordable within your budget. Exchange rates can fluctuate by as much as 10% or more over a relatively short period of time, so the cost in sterling can be significantly impacted and you may end up paying more than you bargained for. However, it's worth noting that if the rate improves in your favour, you won't be able to take advantage of that movement but if you've got your heart set on a certain property, for example, you may consider this is worth accepting to ensure that you can secure the home you want.

Market orders help you manage your exposure to currency market fluctuations

If you're concerned that you may lose out with a forward contract, a market order might be a better choice for you. This allows you to take advantage of upward movements, but you still have an equivalent to a safety net placed in the market 24/7 that guarantees a minimum exchange rate but allows you to take advantage by buying at a better rate if the market moves in your favour. This may sound like a complex procedure and there are risks but a specialist can provide all the information you need to find out if this approach will work for you and how to set it up. This will allow you to make clear budget plans, with a band of best- and worst-case outcomes which both fit within your budget, whilst also retaining the potential to take advantage of a positive rate.

Regular Payment Plan from moneycorp

Our Regular Payment Plan allows you to automate sending money each month, just like a standing order. You can choose whether to fix the amount of currency you're sending, the amount received, or both depending on how you prefer to manage your budget. You'll also receive great rates and low fees, meaning as much of your money as possible is going towards your family commitments, whether you're supporting a loved one studying abroad, or buying a family holiday home.

Our international payments account can help you maintain and build those connections between you as a global family.

The route you take for making your international payment depends on a number of factors, from the timing and amount of money you're sending overseas to your attitude to risk and budget flexibility. Engaging with a currency exchange specialist will allow you to plan ahead and receive expert guidance on the best approach for you.

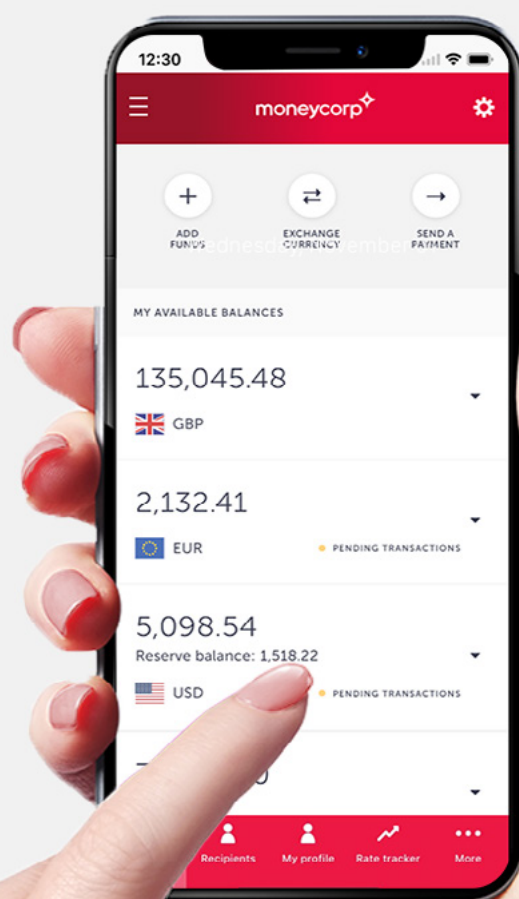


Global specialists in currency exchange and international payments

We understand the joys and challenges of being part of an international family. We will help you along the way and work to take the stress out of international payments.

As an award-winning foreign exchange specialist, we have been helping customers by answering their foreign exchange needs for 40 years. There's a reason 96% of our customers would recommend us to their friends*. Benefits include:.

- £33.2bn exchanged in 2018 in over 120 currencies
- Offices around the world with local expertise
- Providing competitive exchange rates since 1979
- Make payments 24/7 with a secure online platform
- Set up regular weekly or monthly payments**



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