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LANDFALL GUIDE · MONEY, INVESTMENTS & RETIREMENT

What happens to my 401(k) and IRA when I move to the UK?

THE SHORT ANSWER

In most cases they can stay where they are and keep growing tax-deferred. The US–UK tax treaty generally stops the UK taxing the growth until you take money out. Cashing out or rolling over around the move is where expensive mistakes happen.

For US citizens and green card holders moving to the UK. Build your free, personal move plan at **yourlandfall.com/plan**.

General information, not personal tax, financial, legal or immigration advice.

The short version

US retirement accounts are generally respected by the **US–UK tax treaty**. While you live in the UK, the UK generally doesn't tax the growth inside your 401(k) or IRA. Withdrawals are taxed when you take them, under the treaty's pension rules.

401(k)s and traditional IRAs

- **Leaving them alone is usually fine.** The account keeps growing tax-deferred, as it would in the US.
- **Withdrawals** are generally taxed in the UK as pension income while you live here, with the treaty deciding how US tax and UK tax interact.
- **Early withdrawals** can mean US penalties as well as tax in both countries, with credits that may not line up neatly.

Roth IRAs

Roth IRAs need more care. The UK's position relies on the treaty treating your Roth as a pension.

- **Growth and qualified withdrawals** can stay free of UK tax.
- **Contributions made after you become UK resident** can put that protection at risk, so pause before contributing once you've moved.

Common mistakes

- **Cashing out "to simplify things"** before or just after the move. That can mean penalties and tax in both countries.
- **Rolling over without checking the UK side.** A move between account types can be fine in the US but have different UK results.
- **Assuming your US broker will keep you.** Some US firms restrict accounts for customers living abroad. Ask before you move, and update your address properly.

What to do next

Retirement accounts are one of the steps where specialist advice usually pays for itself, especially with a Roth or if you might take money out in the next few years. Build your move plan to see where they fit in your timeline.

See every step for your move. Answer five questions and get a free plan in the right order: yourlandfall.com/plan