

# LAWRENCE TAX SERVICE

A division of Lawrence & Associates, Inc.  
[lbs@lecprofgroup.com](mailto:lbs@lecprofgroup.com), 760-438-4030, [www.lecprofgroup.com](http://www.lecprofgroup.com)

## Do I have to file both FBAR and FATCA for my foreign pensions?

If you have certain **foreign financial accounts**, such as bank accounts, brokerage accounts or mutual funds located outside of the US, and the total value of those accounts is more than \$10,000 at any time during the calendar year, you must report the accounts by filling a Report of Foreign Bank and Financial Accounts (FBAR) to the Financial Crimes Enforcement Network of the Treasury Department.

Under the Foreign Account Tax Compliance Act (FATCA), any US taxpayers holding **financial assets outside the US** with the total value exceeding \$50,000 (\$100,000 for married filing joint taxpayers) must report those assets to the IRS on Form 8938, Statement of Specified Foreign Financial Assets.

If you have a foreign retirement plan, you might wonder whether you have to file both FBAR and FATCA. The requirements whether you have to file FBAR and/or will depend on the type of plan that you have.

If your foreign retirement plan has an account, you must report it on FBAR. It is not because you have a retirement plan outside of the US, but because you have a financial account located outside of the US, it is reportable on FBAR. On the other hand, if your retirement plans do not have accounts, you do not have to report them on FBAR.

However, if you have assets outside of the US, you have to report those assets on FATCA, Form 8938 regardless of whether those plans are associated with foreign accounts or if it is a foreign pension.

Some of the examples of foreign pension plans which would likely to be reported for FATCA and/or FBAR are:

- Australian Superannuation
- Canadian Registered Retirement Savings Plans (RRSPs)
- French pension funds (Caisses de Retraites)
- German Pillar Pension System

- Hong Kong Mandatory Provident Fund (MPF) and Occupational Retirement Schemes Ordinance (ORSO)
- Mexican individual retirement accounts (Fondos para el Retiro), and Mexican Administradoras de Fondos para el Retiro (AFORE)
- Swiss Pillar Pension System
- Singapore Central Provident Fund (CPF)
- UK Employer Sponsored Pension Schemes and self-invested personal pensions (SIPPs).

However, foreign Social Security is exempt from FATCA. For example, if you are receiving the Canadian Pension Plan (CPP), which is Canada's version of Social Security, you do not have to report it on FATCA.

What If you have a foreign financial account held in a US IRA or retirement plan? If your retirement plan itself is located in the US even if it is associated with a foreign financial account, you do not have to report your account on FBAR or FATCA.

If you are not sure whether you have to report your foreign retirement plans to the IRS and discuss it with one of our tax preparers, please do not hesitate to contact us. We are here to help!

**Lawrence Tax Service**

lts@lecprofgroup.com  
760-438-4030  
www.lecprofgroup.com