

MOVING TO PORTUGAL



PROTECTING YOUR WEALTH



BLACKTOWER
FINANCIAL MANAGEMENT GROUP

Moving to Portugal & Protecting Your Wealth: The Complete Guide for UK Expats

Portugal is one of Europe's most desirable destinations for UK expatriates. Its warm climate, rich culture, and welcoming lifestyle attract retirees and high-net-worth individuals alike. From the Algarve's golf courses to Lisbon's cosmopolitan vibrancy, Portugal offers an enviable quality of life.

But relocating abroad isn't just about sunshine and scenery. If you're considering retirement or long-term living in Portugal, you face a complex financial landscape—one that spans two tax systems, two legal regimes, and ongoing changes in UK pension and inheritance tax law.

Most notably, the UK government has announced that from April 2027, unused pensions will be included in estates for inheritance tax (IHT) purposes. For UK nationals moving to Portugal, this creates additional urgency to plan ahead.

This guide brings together everything you need to know: residency, tax, pensions, inheritance, and the practical steps to protect your wealth for both your retirement and your family's future.

Residency and Visa Options

VISA ROUTE	KEY REQUIREMENTS	WHO IT SUITS	NOTES
D7 Visa	Proof of passive income (pension, rental, dividends)	Retirees, financially independent expats	Popular for UK retirees
Digital Nomad Visa	Proof of employment/freelance income	Remote workers	Income threshold applies
Golden Visa (2024 update)	Investment in culture, science, or business	HNWIs seeking flexibility	Property no longer eligible
Standard Residency	Income + accommodation proof	Long-term movers	Renewable: 2 - 3 - 5 years

Summary: Most retirees choose the D7 visa, while professionals use the digital nomad route. The Golden Visa remains an option for HNWIs, but property is no longer eligible.

Ready to Secure Your Wealth in Portugal?

Our advisers specialise in helping UK expats plan for retirement, manage pensions, and structure investments in Portugal.

Tax Residence in Portugal

RESIDENCY RULE	TRIGGER
183-Day Rule	Stay 183+ days in Portugal in 12 months
Permanent Home	Home available in Portugal indicating residence
Split-Year Treatment	Resident from date of arrival mid-year

Summary: You are tax resident if you spend 183+ days in Portugal or maintain a permanent home. Moving mid-year often qualifies you for split-year residency.

The End of NHR

The Non-Habitual Resident (NHR) regime, once a cornerstone of Portugal's expat tax appeal, closed to new applicants in 2024.

- Existing NHRs may keep benefits for their 10-year term.
- New residents must plan under standard Portuguese rules.
- Alternatives include compliant investment bonds, careful structuring of pensions, and estate planning tools.

Income Tax in Portugal (2025 Landscape)

INCOME BRACKET (€)	RATE
Up to 7,703	14.5%
7,704 – 11,623	23%
11,624 – 16,472	26.5%
16,473 – 21,321	28.5%
21,322 – 27,146	35%
27,147 – 39,791	37%
39,792 – 51,997	43.5%
51,998 – 78,834	45%
Over 78,834	48% + solidarity surcharge

Summary: Portugal has progressive tax rates up to 48%, with an extra surcharge for high earners. Most expats with pensions will fall in the mid-to-high brackets.

Did You Know? From April 2027, UK pensions will fall within inheritance tax (IHT). Acting now could protect up to 40% of your estate.

Pensions and Retirement Planning

PENSION TYPE	TAX IN PORTUGAL	NOTES
UK State Pension	Taxable in Portugal	Paid gross if NT code applied
UK Private/ Occupational	Taxable in Portugal	Double Tax Treaty applies
QROPS	Taxable in Portugal	Useful for expats but review carefully
SIPPs	Income + accommodation proof	Watch currency risk

Summary: All pensions are taxable in Portugal, but the right structure—such as QROPS or NT coding—can improve efficiency. Currency planning is equally important.

Inheritance and Estate Planning

ASPECT	UK	PORTUGAL
Inheritance Tax	40% above 325,000	No IHT, but Imposto do Selo
Imposto do Selo	N/A	10% on Portuguese assets inherited by non-spouses
Forced Heirship	No	Yes – protects spouse/children
Wills	UK will applies	Portuguese will recommended

Summary: The UK applies IHT, Portugal applies stamp duty and forced heirship. Dual wills and careful planning are often needed to avoid conflicts.

UK Pension Inheritance Tax Changes (April 2027)

The UK government announced in 2024 that from 6 April 2027, most unused pension funds will be included in an estate for IHT purposes.

BEFORE APRIL 2027	AFTER APRIL 2027
Pensions often excluded from estate	Pensions included in estate for IHT
Beneficiaries could inherit tax-free (if non-resident)	Beneficiaries may face 40% IHT
By-pass trusts outside scope	By-pass trusts included

Summary: From April 2027, pensions will no longer be excluded from IHT. This change means many expats’ estates will face higher tax bills unless they plan ahead.

Cross-Border Expertise You Can Trust Blacktower has been supporting expatriates from various jurisdictions, including . Portugal, Spain, and many other European countries).

Investments and Wealth Management

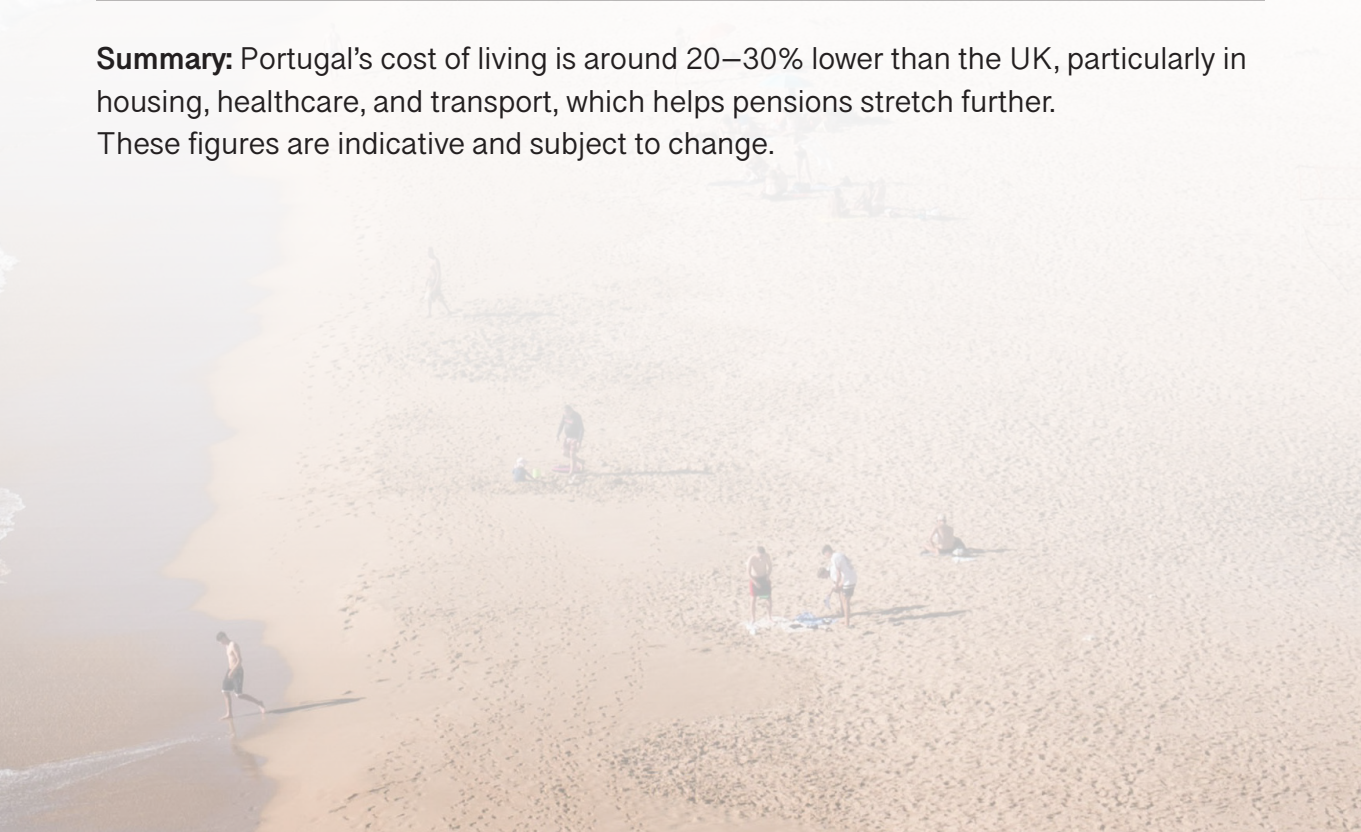
Options for expats include:

- Assurance Vie-style bonds for tax deferral.
- Diversification across EUR, GBP, USD to manage currency risk.
- Regular reviews to remain compliant in both UK and Portugal.

Healthcare and Cost of Living

EXPENSE	UK (LONDON)	PORTUGAL (LISBON)
2-bed rent (city centre)	2,500 Pounds	1,500 Euros
Private health insurance	250 Pounds	120 Euros
Meal for two	80 Pounds	50 Euros
Monthly transport pass	180 Pounds	40 Euros

Summary: Portugal’s cost of living is around 20–30% lower than the UK, particularly in housing, healthcare, and transport, which helps pensions stretch further. These figures are indicative and subject to change.



Property and Lifestyle

TAX	RATE	NOTES
IMI (annual municipal tax)	0.3%–0.45%	On property value
IMT (purchase tax)	0%–7.5%	Progressive
Stamp Duty	80 Pounds	50 Euros

Summary: Buying property in Portugal involves IMT and stamp duty upfront, plus annual IMI. Rates are relatively low compared to UK council tax.

Why Portugal Remains the Ultimate Expat Destination

Portugal consistently tops global rankings for quality of life, safety, and expat satisfaction. Beyond its stunning scenery, it offers financial advantages that make it a standout choice.

- **Climate & Lifestyle:** Over 300 days of sunshine, world-class leisure, vibrant cities, and welcoming communities.
- **Cost of Living:** Everyday expenses 20–30% lower than the UK.
- **Healthcare:** Affordable, high-quality care, with private insurance widely available.
- **Connectivity:** Short flights back to the UK and excellent EU links.
- **Tax Planning Opportunities:** Even without NHR, compliant structures keep Portugal attractive for wealth planning.
- **Safety & Stability:** Ranked among the safest countries globally, with a welcoming expat environment.

In short: Portugal combines lifestyle benefits with financial planning opportunities. With early, professional advice, you can enjoy the best of both worlds—living well today and protecting your family's future tomorrow.

Conclusion

Portugal can offer a quality lifestyle, but success requires careful planning—especially in light of the UK's 2027 pension IHT reforms. Acting now gives you the widest choice of strategies that can help protect your retirement income and your family's inheritance.

Contact Blacktower today for a personalised consultation.

Our Heritage Protects Your Horizon



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