



Nomination of Beneficiaries

Nomination of your Beneficiaries on Death

Member Name
The Trustees of the (scheme name in full)

Name	Address	Relationship	Date of birth	Percentage %

In the event of my death, I would like an income/lump sum benefits to be paid to persons set out above. *

I understand I can change these at any time by giving notice of the scheme trustees.

** On death before age 75, certain lump sum death benefits are tested against the 'lump sum and death benefit allowance, whereas death benefits paid as a pension income are not.*

These nominations will act as an expression of my wishes but will not bind the scheme trustee in any way.

Other comments:

If you are unsure about any implications addressed in this form, please contact a financial advisor.

Member Name

Member Signature.....

Date

On your death, your remaining Individual Funds ("your funds") will be applied in accordance with the rules of the scheme. Within the overall limits of the tax legislation, the rules give wide discretion over the exact form of benefits and the recipients. Any nomination you make in this form is not binding on the scheme but will be considered carefully. The notes at the end of this form provide further explanation: **Please read these carefully.**

Important Information

There are legal and practical difficulties in making payments directly to minors or other vulnerable beneficiaries. However, the scheme does have power to pay lump sums to parents or guardians of beneficiaries, or to separate trusts for their benefit. If this is relevant to you, you may wish to discuss with your solicitor the setting up of an appropriate trust (if you do not already have one), and you should ensure the scheme is aware of any such trust.

Notes

Definitions

"beneficiary" here means a person eligible under the Scheme's rules to receive a lump sum on your death. This includes any person nominated by you in this form plus relatives, dependents, and any beneficiary under your will.

"dependent" means your spouse or civil partner, any child of yours under age 23, anyone who is dependent on you due to mental or physical impairment, and anyone (except a child over 23) who is financially dependent on you/ with whom you are financially mutually dependent.

"nominee" for drawdown purposes means an individual who is not a dependent and who is nominated by you. The tax legislation also allows the Scheme to nominate an individual, but only if there are no dependents and there is no individual or charity nominated by you.

References to "the Scheme" as a person are to the trustees of the Scheme.

Availability of drawdown

The way that "nominee" is defined by tax legislation could stop drawdown being offered to suitable beneficiaries in some situations. For example:

- a member does not make a nomination. He is survived by his spouse and his brother. The spouse is keen for some benefit to be paid to the brother. The Scheme can pay him a lump sum, but cannot offer him drawdown as an alternative, because the member did not nominate him. The scheme administrator cannot nominate him because there is a dependent.
- a member nominates his spouse, but they subsequently divorce. He is survived by the ex-spouse and their adult children. The Scheme can take account of the divorce and pay lump sums to his adult children, but cannot offer the children drawdown as an alternative, because the member did not nominate them. The scheme administrator cannot nominate them because the member has nominated the ex-spouse.

To avoid such problems without trying to predict all future circumstances, you may wish to make a broad nomination of all beneficiaries by ticking the box on Page 1 of the form. Doing so does not mean that the Scheme will pay benefits to all of them, nor that it will ignore any more specific wishes you have. It just means that the Scheme will have greater scope to offer drawdown as an alternative to lump sums, particularly where your nomination form becomes out of date

Benefits from the Scheme on death at any age are usually free of inheritance tax under current legislation because the recipients are chosen by someone other than you (and this is the main reason the rules of the Scheme do not treat this form as binding).

Taxation of benefits on the death of a member

Lump sums

- are free of income tax if you die before age 75, so long as they are paid within two years (from the date the Scheme was aware of the death of the member) and from 6 April 2024 they do not exceed the lump sum death benefit allowance:
- are in any case free of income tax if paid to a charity nominated by you where there are no dependents:
- otherwise the benefits are taxed at the recipient's marginal tax rate:
- from the 6 April 2024 the tax free lump sum will count towards the lump sum and death benefit allowance. Any excess will be assessed against the beneficiary, where there is more than one beneficiary, this would be apportioned between them. Even if paid to non-qualifying entity, subject to basic rate tax of trust rate (45%) However if paid outside the two year window, or after age 75 for non-qualifying entity tax will increase to 45%

Drawdown payments

- are free of income tax if you die before age 75, so long as the funds are designated within two years (from the date the Scheme was aware of the death of the member)
- otherwise, are simply taxed as income at the recipient's marginal tax rate, unless paid to a non-qualifying entity, such as a trust, when it will be subject to tax at 45%