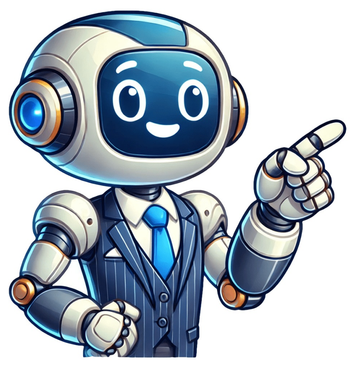

In the event of your death, the NHS Pension Scheme may provide for your family or a person you have nominated. You can nominate someone to receivea lump sum on death benefit if you die using the lump sum on death benefit nomination forms. If you have a partner, but are not married or in a civil partnership, you may also be able to nominate them to receive an adult dependants pension using a separate form. You can also cancel or change a previous nomination. Lump sum on death benefit nomination forms There are different lump sum on death benefit nomination forms depending on what type of member you are. Read the guidance attached to each form before completing it and sending it to us to make sure you are completing the correct form. If your scheme membership started on or after 1 April 2008 or continued after 31 March 2008, you should complete:Lump sum on death benefit nomination (DB2) (PDF: 324KB)If your scheme membership ended before 1 April 2008, or you are a Pension Credit member and your Pension Sharing Order (PSO) was implemented before 1 April 2000, you should complete:Lump sum on death benefit (DB1) (PDF: 213KB)A pension credit member is a person that became a member of the NHS Pension Scheme through a Pension Sharing Order (PSO) that provides them with a share of their former spouse or civil partner's pension benefits in the Scheme. If you are a Pension Credit member, and your Pension Sharing Order (PSO) was implemented after 1 April 2000, you should complete: Lump sum on death benefit nomination form (DB2 PC) (PDF: 276KB)If you are a Scheme member in your own right, as well as a Pension Credit member, you will need to complete both theDB2andDB2PCforms if you wish to nominate someone for both pensions. If you only submit one form, we will treat your nomination as only covering your pension or pension sharing order as appropriate. You can find more information on Ask Us. Adult dependants pension forms To nominate a partner to receive an adult dependants pension after your death:Partner nomination form (PN1) (PDF: 291KB) Do not complete this if you: are married in a civil partnership if your membership ended before 1 April 2008 are a Pension Credit member only You should only complete the form if your scheme membership started on or after 1 April 2008 or continued after 31 March 2008. Amending an existing nomination If you wish to amend an existing nomination you must submit a new nomination form. Any previous nomination will be replaced with your new instructions. You should use the correct nomination form for your circumstances. Cancel an existing nomination Existing nomination cancellation (NOM1) form(PDF: 235KB) Only complete this form if your scheme membership started on or after 1 April 2008 or continued after 31 March 2008. Do not complete this form if you wish to amend an existing nomination. The number of beneficiaries you can nominate will depend upon the pension scheme that you are in:classic pension scheme:You can only nominate one person or organisationalpha, nuvos, premium and classic plus:You can choose as many nominees as you wantYou also decide how to split the lump sum between your nomineesYou are also able to nominate a charity, organisation or business.You can check your existing nomination on thePension Portalandyour Annual Benefit Statement (ABS).2015 Remedy (McCloud)For classic members moved to alpha on 1 April 2022: they are now able to make a nomination in favour of more than one individual so they can update/ make a new nomination if they would like to.Post rollback: Any members who have been rolled back into classic and had made a nomination for death benefit whilst in alpha (for more than one individual), this is valid for the Remedy period service and no action is required to update previous nominations.No NominationsIf we do not hold a valid nomination for you, we will pay your lump sum benefit to your personal representative(s). This is the person or people who deal with your financial matters after your death. A death benefit lump sum does not form part of your estate. The amount payable to your nominees will depend on your employment circumstances upon your death:If youre still working:The lump sum payable is at least 2 years salaryIt is not payable if you have partially retired or youre already in receipt of a pension from the scheme.If youve left, retired, partially retired or are taking other Civil Service pension benefits:The lump sum is worked out differently from the description above. Find out more information in thescheme guides. To ensure that we have the correct information required when arranging your Death Benefit Nomination, please check the following before submitting your form:If youre in classic, have you nominated only one nominee?Does the percentage of lump sum allocated to each of your nominees add up to 100%?Have you signed and dated your form?Has a witness signed and dated your form on the same date you signed and dated it?If printing the form, have you used black ink and CAPITAL letters?Have you included your name, address and National Insurance number?REMEMBER:Keep your death benefit nominees details up to date with us, so we can get in touch with them quickly in the event of your death. Published 15 January 2025 10 min read This article describes how discretion works and how a nomination form (expression of wish) can be used to let the scheme administrators/trustees know the individuals wishes as to whom death benefits should be paid to.Our article on Direction describes what direction is and when it may be used. In herAutumn 2024 Budget statement, Rachel Reeves announced the governments intention to bring unused pension funds and death benefits within the value of an individuals estate for inheritance tax purposes from 6 April 2027.More detail can be found in our article Inheritance tax on pension death benefits from April 2027.The following article is correct based on the current legislation and takes no account of the governments proposed changes. Key factsGenerally, paying death benefits at the discretion of the scheme administrator/trustees will mean benefits are not included in the value of the estate and therefore do not increase the inheritance tax liability.An individual can provide a nomination/expression of wishes form to the scheme administrator/trustees to let them know who they want their benefits paid to, but this is not binding on the scheme administrator/ trustee.Once a plan is set up under discretion, the individual cant subsequently choose direction under that scheme.Beneficiary drawdown, if available under a plan, can only be offered to a dependant or a nominee of the deceased. In this article we explain what direction means when applied to the payment of pension death benefits and the reasons why you would use that rather than discretion. Read more about Death benefits: Direction The government announced it's intention to bring unused pension funds and death benefits within the value of an individuals estate for inheritance tax purposes from 6 April 2027. This article looks at this further. Pensions are not usually included in the estate for inheritance tax. However, there are certain circumstances when the value of the death benefits will count towards any inheritance tax (IHT) payable by the estate. Read more about How inheritance tax might work on transfer The information provided is based on our current understanding of the relevant legislation and regulations and may be subject to alteration as a result of changes in legislation or practice. Also it may not reflect the options available under a specific product which may not be as wide as legislations and regulations allow.All references to taxation are based on our understanding of current taxation law and practice and may be affected by future changes in legislation and the individual circumstances of the investor. 6 April 2025 Key points Completing a nomination (also known as an expression of wish) helps guide the scheme trustees when deciding who death benefits should be paid toNominations can be changed by simply completing a freshversionA nomination can ensure that all death benefit options are available to the beneficiary - especially those who aren't dependantsOn 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 are not.Reviewing nominations at age 75 can ensure that death benefits can be paid tax efficiently Jump to the following sections of this guide: The trustees or scheme administrators of a money purchase pension will typically have discretion over the payment of death benefits - unless a binding nomination has been made.The scheme rules will determine the range of possible beneficiaries. This will typically allow payments to family and friends, trusts which the settlor created during their lifetime, trusts created in the scheme member's will and charities.Individuals potentially have the choice of a lump sum or a pension (via income drawdown, a lifetime annuity or a scheme pension) whereas nominated charities and trusts can only receive lump sums.However, the options for individuals may be limited by what the scheme will allow- for example, not all schemes can facilitate income drawdown and very few DC schemes would allow a dependant's scheme pension - but a lack of a nomination can sometimes restrict the options where death benefits are to be paid to a non-dependant.The importance of a nominationA nomination form (or a letter of wishes) allows the pension scheme member to tell the trustees/administrators who they would like to benefit on death. The nomination helps to guide scheme administrators/trustees with their decision making.They will complete their own investigations following the member's death and use their discretion. But often they will follow the instructions in the nomination unless there's good reason not to.Dependants and nominated individuals will have the choice of a lump sum or a pension, whereas nominated charities and trusts can only receive lump sums.Fornon-dependants, nominations can be crucial - if they haven'tbeen nominated, but the trustees or scheme administrator decides that they should benefit, then sometimes their only option is a lump sum. This is because, if the deceased:had nominated another individual (or a trust or charity) orhasa dependant,then the trustees or provider cant allow anyone else to use the funds for pension purposes.However, the existence of a dependant is only relevant on the death of theoriginal member. Its not relevant when paying death benefits from beneficiary's drawdown funds.Example -Darren and Clare are married and have an adult daughter Amy. Darren dies without making a nomination for his SIPP death benefits.As Darren has a surviving dependant (Clare) the options available to the SIPP administrators are for:Clare - beneficiary'sdrawdown, annuityorlump sumAmy - lump sum onlyAmy would have been eligible to take beneficiary's drawdown had Darren nominated her prior to his death.So, although the death benefit option under Darren's scheme are lump sum, annuity or income drawdown, this doesn't mean that all beneficiaries will have all the options available to them - this is dependent on the death benefit nominationsmade by Darren.TIP - By getting the nominations right, and naming all beneficiaries, the scheme member can ensure all beneficiaries have both the lump sum and pension options. If a non-dependant beneficiary has not been nominated, the only option will be a lump sum if there is a surviving dependant or someone else who has been nominated.Dependants or beneficiaries who have been nominated will have the choice of whether take a lump sum or a pension, typically via beneficiary's drawdown (if offered by the scheme) or an annuity.If a lump sum is paid out to a beneficiary, it will be in the beneficiary's estate. If its then invested, the funds may be subject to income tax and capital gains tax on future investment returns.Beneficiary's drawdown allows pension wealth to remain within the pension wrapper. There's no tax on income and gains from investments within the pension fund and the value of the pension funds is (until April 2027) outside the beneficiary's estate for IHT. Income can be taken as and when the beneficiary needs it.Beneficiaries don't need to be age 55 or over to access the death benefits. The removal of the lifetime allowance has resulted in a change to the taxation of death benefits for those with large pension pots. Lump sums will remain tax-free up to the available lump sum and death benefit allowance (LSDBA) - the standard LSDBA is 1,073,100, but those who have transitional protection will have a higher allowance. Any excess above the LSDBA will be subject to income tax at the beneficiarys marginal rate.The LSDBA is a test on certain tax-free lump sums paid during the members lifetime and on death before age 75. So, when testing lump sum death benefits, any tax-free lump sums paid to the member will reduce the available LSDBA. Lump sum death benefits from funds crystallised before 6 April 2024 are not tested against the LSDBA.For more detail on LSDBA testing, see our technical guide Lump sum and death benefit allowance (LSDBA).Where the death benefits are used to provide a pension, it is not tested against the allowance, and it will remain tax-free regardless of the size of the deceased members fund. Where lump sum death benefits would exceed the available LSDBA, beneficiaries should consider beneficiary's drawdown as the whole fund will remain tax-free for the beneficiary and lump sums can be taken from the drawdown funds at any time.Currently*, inheritance tax can also be another motivation for considering beneficiary's drawdown. It's not unusual for couples to nominate everything to the survivor on the first death, but this might not be the most tax efficient option.If paid as a lump sum to the survivor, it will form part of their estate for IHT. Beneficiary's drawdown keeps pension funds under the pensions regime and therefore currently* outside the estate for IHT. However, the tax treatment of the death benefits from the beneficiary's drawdown on second death will be based on the age of the survivor when they die.This means, for example, that where the original member died before age 75 and their spouse inherited the funds as beneficiary's drawdown, any withdrawals will be free of income tax. But if the spouse then dies after reaching age 75, the tax position changes and the benefits paid to their beneficiaries will then be subject to income tax.TIP - If the surviving partner is unlikely to need all of the deceased's pension during their lifetime, consider skipping a generation (or two) with some or all of the death benefits. This can allow future generations to access all the funds tax-free if the member dies before age 75.Alternatively, use a bypass trust to receive a tax-free lump sum from which the surviving partner is able to benefit from.* From April 2027, most unused pension death benefits will be included in the deceaseds estate for IHT purposes. Dependants scheme pensions and charity lump sum death benefits to a qualifying charity will not be included. Benefits paid to a spouse or civil partner will qualify for the spousal exemption. Although the legislation is not yet in force, this is likely to impact how individuals make nominations going forward. If death is after age 75, the death benefit is taxable at the beneficiary's marginal rate (or 45% if paid to a trust).Lump sums will be added to the beneficiary's other income in the tax year and taxed at the appropriate rateBeneficiary's drawdown is only taxed when the beneficiary withdraws income from their inherited pot.Making nominations, therefore giving all beneficiariesthe lump sum and pension options can help reduce the amount of tax payable. Example - Angela's father, Martin, died age 78. She has been nominated to receive a death benefit of 75,000. Angela has income of 25,000 for the tax year (2025/26).If Angela took it as a lump sum she would pay tax of 24,946 (25,270 at 20% plus 49,730 at 40%) giving her a net benefit of 50,054.If Angela took beneficiary's drawdown and withdrew the fund over three tax years at 25,000 a year, she would pay no higher rate tax on the beneficiary's drawdown (75,000 @ 20% = 15,000) saving her 9,946.By accessing as a lump sum, the whole amount is assessed in a single tax year with only one personal allowance available and the potential of paying tax at a rate higher than they would normally expect to.Using beneficiary's drawdown means that tax can be spread across many tax years. The beneficiary has some control over when withdrawals are taken to maximise tax allowances and limit the amount of tax payable.As mentioned above, pension death benefits are typically outside of the deceaseds estate for IHT purposes. However, from April 2027 most unused pension death benefits will be included in the individuals estate for IHT purposes. Any IHT due will be deducted before calculating any income tax liability. Dependants scheme pensions and charity lump sum death benefits to a qualifying charity will not be included. Benefits paid to a spouse or civil partner will qualify for the spousal exemption. Although the legislation is not yet in force, this is likely to impact how individuals make nominations going forward.Nominating a bypass trustA bypass trust allows a member to select their own trustees who are more likely to fully understand their situation and carry out their wishes. Paying lump sum death benefits to a trust allows the member's chosen trustees to determine how the lump sum is eventually distributed. This additional control may be welcome for those with a more complicated family situation, such as where there are children from a previous marriage or relationship.Example - Craig and Sonia are married. Craig has two children from a previous relationship, Imogen and Saul. Sonia also has a daughter, Summer, from a previous marriage.Craig has established a bypass trust and nominated that his SIPP provider pays a lump sum to this on his death.He has written a letter to the trustees of his bypass trust explaining that he would like them to ensure that, in the event of his death, Sonia has sufficient income to enjoy a comfortable lifestyle, but upon her death that all the remaining capital is held for his two children, Imogen and Saul.Had Craig opted to nominate Sonia for beneficiary's drawdown, she would be able to choose what happens to any remaining funds on her death, allowing her to nominate Summer as the beneficiary, rather than Imogen or Saul. Lumps sums paid to a trust are free of income tax if death is before age 75 provided it is within their available LSDBA. However, the pension provider has to deduct tax at 45% if death is reaching age 75. The tax suffered is available as a credit when the bypass trustees pay money to a beneficiary. It is treated as income in the hands of beneficiary with a reclaimable tax credit.Example - Joan nominated that her SIPP should be paid to her bypass trust on death. She died at age 80 and her SIPP was valued at 200,000.The lump sum death benefit will be subject to tax at 45% = 90,000. This will be deducted by the pension provider and the amount paid to her bypass trust will be 110,000. The trustees will only have 110,000 to invest for the beneficiaries.Joan's trustees decide to make a payment out of the trust to her son Steve. The trustees pay 5,500 to Steve. This is grossed up to 10,000 to reflect the 45% tax already paid.Steve has other income of 30,000 for the year. So, the 10,000 payment will be taxed at 20% = 2,000. As it was paid with 4,500 tax credit, Steve can reclaim 2,500 from HMRC.The credit for the tax already paid is intended to put bypass trusts beneficiaries in a similar position as if they had received beneficiary's drawdown. However, the amount available for the trustees to invest is only 55% of the death benefits and this will affect the investment returns within the trust and ultimately what the beneficiaries may receive.From April 2027, the payment of a lump sum to a bypass trust will be included in the deceaseds estate for IHT purposes.Nominating a charityDeath benefits can only be paid to a charity if the member has nominated one. The scheme administrator cannot use their discretionary powers to pay money to a charity - discretion can only be used to pay to individuals or trusts.Making a nominationThere is no prescribed way to make a nomination. Most pension providers will have a standard nomination form available for members to complete, but many will also accept a letter from the member explaining their wishes regarding the death benefit.Whatever way the nomination is made, the wording should make the members wishes as clear as possible, so that the trustees/administrators understand what the member would like to happen in the event of death.Scheme members wanting to give their beneficiaries the option to take income drawdown should name them. Nominating a class of individuals - for example, grandchildren - may not be sufficient to allow both lump sum and beneficiary's drawdown options.If a member loses mental capacity, their attorneys cannotcomplete a nomination on their behalf. Some pension schemes allow a binding nomination. This removes the scheme trustees/administrator's discretion and gives added comfort that the lump sum will be paid as instructed.However, where binding directions are available, there are typically restrictions on who the scheme member can nominate. To avoid IHT potentially becoming payable, until April 2027 anyway, this will be limited to:A bypass trust - there are no IHT consequences of making a binding nomination to a trust as long as the trustexcludes payments to the settlor's estate.The members spouse or civil partner nominating an individual will generally mean the pension death benefits are included in the members estate for IHT unless it's covered by the spousal exemption.Most binding nominations can still be revoked by the scheme member if circumstances change.Reviewing and changing nominationsA nomination (even a binding one to a bypass trust) can generally be changed at any time, simply by completing a fresh nomination. The scheme administrators/trustees will use the most recent instruction they hold when determining how benefits are to be paid.It makes sense to regularly review nominations to make sure that they continue to reflect the scheme member's wishes as circumstances can often change. The change in the taxation of death benefits from age 75 may also act as a prompt to review nominations. Death benefits can no longer be paid tax-free either as a lump sum or pension, once the member reaches their 75th birthday.In particular, where someone has nominated a bypass trust there will be a 45% tax charge when the lump sum is paid to the trust. The scheme member will need to consider if the tax charge is a price worth paying for the additional control and certainty that a bypass trust can provide - although the beneficiaries are able to use the tax deducted as a credit against their own income tax liability when they receive payments from the trust. 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To ensure your pension provider knows who youd like it be paid to, its important you complete an expression of wishes form.You might also see these forms referred to as a letter of wishes, nomination of beneficiaries or a nomination of wishes. But whatever your provider calls it, its very important to complete one and keep it up to date.Without an expression of wishes form, your pension provider will not be aware of who you would like to benefit from your pension when you die.Click here to add or update an expression of wishes with iiAn expression of wishes, or nomination form, tells your pension provider about your preferred beneficiary. It details who you would like to inherit any unused funds from your pension when you die.You should be given the opportunity to fill in an expression of wishes form when you first start your pension, but if you didnt do it at the time, you can complete one at any point. You just need to request one from your pension provider.The legal structure of pensions means that its normally down to your pension provider to determine who receives any remaining funds when you die. You will hear this described as using its discretion.However, if you have specified who you want to receive that money with a nomination form, the pension provider will, in the vast majority of cases, respect your wishes.If you havent completed an expression of wishes form, your pension provider will need to conduct research to decide how to distribute your money. Although it would try to act fairly, it means your views wouldnt be taken into account.The fact that an expression of wishes form is not legally binding is, understandably, frustrating for pension savers. However, its this legal structure that enables pensions to fall outside your estate when you die and be free of inheritance tax (IHT).Please note: from 6 April 2027, pensions and death benefits will become subject to inheritance tax. Find out more here.If you were to direct your pension provider to pay death benefits to specific beneficiaries, rather than just expressing your wishes, the value of the death benefits will normally be counted as part of your estate for IHT purposes on your death.Following the introduction of the pension freedoms in 2015, you can nominate whoever you like to be a beneficiary of your pension they no longer need to be a dependent such as spouse or child.This doesnt necessarily have to be individuals either. You can also name trusts or charities as beneficiaries of your pension when you complete your expression of wishes form.If you do not nominate a beneficiary, your pension provider can name a nominee on your behalf when you die. But pension providers would always put the needs of surviving financial dependents before other individuals.Its also important to note that you cannot control so-called successors that is who your intended beneficiaries pass your pension onto.Only an individual can be a successor. To be a successor that individual must have been nominated by a dependant, nominee or another successor of the member to receive benefits under the arrangement following their death.Click here to add or update an expression of wishes with iiThere arent any limits on the number of people that can benefit from your pension when you die.This can make it easier to share your wealth among wider family or friends when you die. However, its not always wise to over complicate things, especially if you havent taken financial advice.A dependant is:Someone who was married to, or a civil partner of, the member at the date of the member's death (or if rules allow, at date of commencing pension).A child who has not reached the age of 23 or, if they have, who remains in full time education or was dependent on the member because of physical or mental impairment.Anyone else who was financially dependent on the member, had a financial relationship with the member of mutual dependence, or was dependent on the member because of physical or mental impairment.A nominee is:Someone who is not a dependant of the member, who is instead nominated by the member to be considered for a nominee's flexi-access drawdown fund or lump sum death benefit.Someone nominated by the Trustee and Scheme Operator, but only where: There are no dependants of the member. There are no individuals nominated by the member. There are no charities nominated by the member.It is vital to update your expression of wishes form if your circumstances or preferences change.For example, if you have started a new relationship, you might find that your pension is passed on to your ex, rather than your current partner.Alternatively, you may decide you want to add further beneficiaries that you would like to benefit from your pension when you die, such as a family member or charity.Again, if you have multiple pensions, youll need to update your expression of wishes for each, using their specific form.Once your expression of wishes form has been updated or refreshed, it replaces any previous form.It would be unusual for a pension provider to go against your expression of wishes, but it is possible.This is because pension providers need to show that they use discretion but also that they have a duty of care.In addition to considering your expression of wishes or nomination of beneficiaries form, they may check your will and make enquiries about your marital status and whether or not you have any financial dependents.This would likely involve conversations with your family as well as the executors of your will.If it is considered that you have financial dependents who havent been adequately provided for, the pension provider could overrule your instructions to pay the money to other beneficiaries.For the purposes of pension death benefits, dependents will include a spouse or civil partner, children aged under 23 (or older if they are in full time education or are physically or mentally impaired) or somebody else that relies on you financially.Beneficiaries that arent considered dependents, are referred to as nominees.Its important to note though that going against your instructions is not a decision that pension providers would take lightly.Keep it up to date: to avoid any problems or challenges after your death, make sure you update your expression of wishes for each of your pensions, whenever your circumstances change. This is particularly important if you divorce, remarry or have more children. Even if you arent actually changing some of the beneficiaries (for example children from a first marriage when you start a second), the fact that it has been updated acts as proof of your intentions and reduces the potential for problems down the line.Dont overcomplicate things: Its always best to keep things simple without trying to accommodate multiple different scenarios. Some expression of wishes forms will now give you the option to name additional beneficiaries in case your intended beneficiaries die before you.Use the official paper work: You might hear about writing a letter of wishes, but rather than writing a note or sending an email, its better to use the correct form supplied by your pension provider. This will have been designed in such a way that it catches all the information the pension provider needs and will be in accordance with the scheme rules.Click here to add or update an expression of wishes with iiCan I update my expression of wishes form if my circumstances change?Yes, you can and its vital you do so. Keeping your expression of wishes up to date helps make sure your intentions are taken into account when pension death benefits are paid. It also reduces the risk of challenges from family after you have died. Contact your pension provider to find out how to update your expression of wishes. You may be able to complete the process online.Updating your expression of wishes will replace all previous forms.Can I give binding instructions rather than an expression of wishes?It would be very rare for a pension provider to allow you to leave binding instructions.If binding instructions were used and the pension provider was not able to use its discretion to decide how death benefits are paid the pot would form a part of your estate and could be subject to inheritance tax.How does the age of death affect the taxation of death benefits?Your age when you die plays an important part in the amount of tax your beneficiaries pay on your pension.If you die before your 75th birthday and the funds are designated within two years of your death,your pension pot will be passed on to your beneficiaries tax-free when taken out as income.If it is taken as a lump sum, it will be tax-free subject to your remaining Lump Sum and Death Benefit Allowance (LSDBA). Any lump sum death benefits paid from funds that were crystallised before 6 April 2024 will not be tested against the LSDBA, since they will have already been tested against the old Lifetime Allowance (LTA).The balance over your remaining allowance will be taxed at your beneficiarys marginal rate of income tax. Read more about Lump Sum Allowances.If you die after your 75th birthday, the pension will be taxed at the beneficiaries marginal rate of income tax, whether they take it as income or a lump sum.This means that tax considerations will play an important part in deciding whether to take the money as a lump or as income.Leaving the money in drawdown and taking income when required can be a helpful way for beneficiaries to manage the tax payable on their inherited pension.Also, remember tax treatment depends on individual circumstances and may be subject to change in the future.What does an expression of wishes not cover?An expression of wishes form will relate to any unused funds in a defined contribution pension when you die. That includes pots that you have not touched and pots that you have started taking income or lump sums from.If you used the proceeds of your pension to buy an annuity, that would not be covered by an expression of wishes form. Normally annuity payments cease when the policyholder dies, unless its a joint plan or they have purchased additional guarantees.What if my chosen beneficiary has died or turns down the benefits?If it isnt possible to pay your pension to your intended beneficiaries, your pension provider will need to use its discretion to work out who should receive the money instead.It would normally look to your will and talk to your family to work this out.Some pension providers will let you name additional beneficiaries on your expression of wishes, to give your pension provider some back up choices if its not possible for your money to go where you had initially planned.Can I control what happens to any residual funds after my beneficiaries die?In practice your beneficiaries should have a choice of what they do with their inherited pension. It can either be taken as a whole lump sum or left invested, taking income and smaller lump sums as and when needed.However, in reality they may be restricted by the limitations of the scheme they are inheriting. For example, it may not offer full flexi-access drawdown.What are the tax implications for my beneficiaries?No Inheritance Tax (IHT) is likely to be payable on pension death benefits.If you die before your 75th birthday and the funds are designated within two years of your death,your pension pot will be passed on to your beneficiaries tax-free when taken out as income. If it is taken as a lump sum, it will be tax-free subject to your remaining Lump Sum and Death Benefit Allowance (LSDBA).Any lump sum death benefits paid from funds that were crystallised before 6th April 2024 will not be tested against the LSDBA, since they will have already been tested against the old Lifetime Allowance (LTA). The balance over your remaining allowance will be taxed at your beneficiarys marginal rate of income tax. Read more about Lump Sum Allowances.However, if you die after your 75th birthday, income tax will be payable at your beneficiaries marginal rate when they take it out. This may mean its more tax effective to take the money gradually as income, rather than taking larger lump sums, especially for higher and additional rate taxpayers.No tax will be payable, however, on funds while they remain invested in the pension.Remember, tax treatment depends on your individual circumstances and may be subject to change in the future.Can I say who I want to get my pension in my will?While you can use your will to say who should get assets like your property or your share portfolio, its not the place to say who gets your pension. Thats because your Will covers the distribution of your estate and your pension will normally fall outside your estate.If you have a defined contribution pension scheme and are 50 or over, then you can access free, impartial guidance on your pension options by booking a face to face or telephone appointment with Pension Wise, a service from MoneyHelper.If you are under 50, you can still access free, impartial help and information about your pensions from MoneyHelper.Log into your online account and select Pension > Benefits > expression of wishes.Click add expression of wishes and then add an expression of wishes.Select the type of beneficiary from the add a beneficiary menu. Select add a dependant for dependants or add an individual beneficiary for anyone else. You can also select a registered charity or trust.When entering the details of your beneficiary, please ensure you enter the correct information for each box.You can also add extra information in the notes section.Click add beneficiary.You can repeat this process to add additional beneficiaries.When you are finished, click save changes. GIB Holdings (Ltd) Pty Reg. No. 1982/008349/07 GIB Financial Services FSP 9305 | GIB Insurance Brokers FSP 10406 View our policies and disclaimers Skip to content One of the benefits of your workplace pension is that it provides financial protection to the people you care about including a tax-free lump sum in the event of your death. What you may not realise is that you can have a say in who gets this money by nominating your chosen beneficiary(ies). The rules are slightly different depending on your scheme. Select yours below to see how it all works. Its who you choose to receive a tax-free lump sum (death grant) in the event of your death. Its a tax-free one-off lump sum your beneficiaries may receive if you die before the age of 75. And if youre retired, the death grant will only be paid if you die before age 75 within ten years of receiving your pension (or five years if you left the LGPS before 1 April 2008). Its worth mentioning that a death grant isnt the same thing as a spouses or civil partners pension, which your partner may receive when you die this is a completely separate one-off payment. The lump sum amount depends on whether youre still paying into your pension or already retired: The amount is three times your annual salary. The amount depends on when you left: Before 31 March 2008 five times your deferred annual pension Before 1 April 2008 three times your deferred annual pension The amount depends on the date you retired: Before 1 April 2008 five times your annual pension, minus the amount that has already been paid to you. On or after 1 April 2008 ten times your annual pension, minus the amount already paid to you. You have the flexibility to nominate any person or organisation that matters to you like a: Spouse or partner. Son, daughter, niece or nephew. Family member or lifelong friend. Charity thats close to your heart. Combination of the above. The easiest way to nominate or change a beneficiary is via youronline PensionPoint account. Log in, go toMy Dashboardand selectMy beneficiaries. Nominating a beneficiary isnt about who gets your pension when you die. Its about who you would like your death grant to go to. A death grant lump sum isnt the same as the lump sum payment you can receive when you retire its a kind of life insurance for your loved ones. Nominating a beneficiary isnt a pointless task.While your pension fund ultimately has the power to decide who the death grant goes to, theyll always take your nominations into consideration. Nominating a beneficiary doesnt take longand you dont need to contact us to tell us about your nominations. You can do it in minutes via your online PensionPoint account. Yes. You can nominate more than one person (or charity) and your lump sum will be divided up according to your wishes. This could be your children (if you have any), a group of close friends, a mixture of your loved ones, charities, or both. Yes. Your nominations arent set in stone once youve made them. You can change them as many times as you like and at any point in the future. Its who you choose to receive a tax-free lump sum (death grant) in the event of your death. Its a tax-free one-off lump sum your beneficiaries may receive if you die before the age of 75.If youre no longer paying into your firefighter pension (deferred), you wont receive a lump sum death grant unless your pension payments have started. Its worth mentioning that a death grant isnt the same thing as a spouses or civil partners pension, which your partner may receive when you die this is a completely separate one-off payment. The lump sum amount depends on whether youre still paying into your pension or already retired: The amount is three times your final pay The amount is five times your annual pension minus the amount of monthly payments already paid to you. For more details, visit the LGA website. You have the flexibility to nominate any person or organisation that matters to you like a: Spouse or partner. Son, daughter, niece or nephew. Family member or lifelong friend. Charity thats close to your heart. Combination of the above. Remember, your Fire and Rescue Authority (FRA) has the power to decide who receives the death grant but you can still nominate someone. Your FRA would then take your wishes into account when making their decision. The easiest way to nominate or change a beneficiary is via youronline PensionPoint account. Log in, go toMy Dashboardand selectMy beneficiaries. Or you can complete a nomination form and send it to us. Nominating a beneficiary isnt about who gets your pension when you die. Its about who you would like your death grant to go to. A death grant lump sum isnt the same as the lump sum payment you can receive when you retire its a kind of life insurance for your loved ones. Nominating a beneficiary isnt a pointless task.While your pension fund ultimately has the power to decide who the death grant goes to, theyll always take your nominations into consideration. Nominating a beneficiary doesnt take longand you dont need to contact us to tell us about your nominations. You can do it in minutes via your online PensionPoint account. Yes. You can nominate more than one person (or charity) and your lump sum will be divided up according to your wishes. This could be your children (if you have any), a group of close friends, a mixture of your loved ones, charities, or both. Yes. Your nominations arent set in stone once youve made them. You can change them as many times as you like and at any point in the future. Just remember, if you nominate more than one beneficiary, you should specify how much of the lump sum each beneficiary should receive (eg 40%, 60%). Its who you choose to receive a tax-free lump sum (death grant) in the event of your death. Its a tax-free one-off lump sum your beneficiaries may receive if you die before the age of 75. Its worth mentioning that a death grant isnt the same thing as a spouses or civil partners pension, which your partner may receive when you die this is a completely separate one-off payment. The lump sum amount depends on whether youre still paying into your pension or already retired: The amount is three times your pensionable pay (the earnings you pay contributions on). The amount is three times your pensionable pay(the earnings you pay contributions on). The amount is the difference between the pension payments already paid to you and the total amount that would have been paid in the first two years of your retirement. If you die while still paying into the scheme, the death grant automatically goes to your spouse, civil partner or declared partner (if you have one). If you are not married or in a relationship, only then do you have the option to nominate a beneficiary. Otherwise, it will be paid to your legal personal representative (usually the executor of your will) as part of your estate. You have the flexibility to nominate any person or organisation that matters to you like a: Spouse or partner. Son, daughter, niece or nephew. Family member or lifelong friend. Charity thats close to your heart. Combination of the above. Remember, your Police Authority has the power to decide who receives the death grant but you can still nominate someone. They would then take your wishes into account when making their decision. The easiest way to nominate or change a beneficiary is via youronline PensionPoint account. Log in, go toMy Dashboardand selectMy beneficiaries. Or you can complete a nomination form and send it to us. Nominating a beneficiary isnt about who gets your pension when you die. Its about who you would like your death grant to go to. A death grant lump sum isnt the same as the lump sum payment you can receive when you retire its a kind of life insurance for your loved ones. Nominating a beneficiary isnt a pointless task.While your pension fund ultimately has the power to decide who the death grant goes to, theyll always take your nominations into consideration. Nominating a beneficiary doesnt take longand you dont need to contact us to tell us about your nominations. You can do it in minutes via your online PensionPoint account. Yes. You can nominate more than one person (or charity) and your lump sum will be divided up according to your wishes. This could be your children (if you have any), a group of close friends, a mixture of your loved ones, charities, or both. Yes. Your nominations arent set in stone once youve made them. You can change them as many times as you like and at any point in the future. Just remember, if you nominate more than one beneficiary, you should specify how much of the lump sum each beneficiary should receive (eg 40%, 60%). 07 Oct 2021 by Heath Reidy 10 May 2024 by Humayra Patel Planning ahead for when youre no longer .widget { display: none; --color-primary: #183850; --color-primary-contrast: #FFFFFF; --color-secondary: #f0f2f2; --color-secondary-contrast: #FFFFFF; --color-background: #f2f2f2; --color-background-contrast: #FFFFFF; --color-dark: #666666; --color-dark-contrast: #FFFFFF; --scheme: var(--scheme-light); --size: var(--size-medium); --space: var(--space-compact); --radius: var(--radius-rounded); } .point > .symbol * { max-width: 100%; max-height: 100%;} beneficiary nomination form Beneficiary nomination pitfalls life insurance policy nominating beneficiaries nominating pension beneficiaries pension When were notified of your death, well explain to your beneficiaries the different ways in which the benefits can be paid to them.If you have a Pension Portfolio plan, including an Income Release or Self Investment pension plan, or a Retirement SolutionsGroup Personal Pension or Group Stakeholder Pension plan with Royal London, and you want us to consider giving one or moreof your nominated beneficiaries the option of using the amount available for beneficiary flexi-access drawdown, its importantthat you tell us this when completing the information below.Remember that when youre choosing your nominations, you can only choose who you want your benefits to be paid to on yourdeath - you cant choose who any remaining benefits may be paid to when those beneficiaries subsequently die. Q: What is Form WP1002?A: Form WP1002 is the Nomination of Beneficiaries form in South Africa.Q: What is the purpose of Form WP1002?A: The purpose of Form WP1002 is to nominate beneficiaries for certain benefits in South Africa.Q: Who can use Form WP1002?A: Form WP1002 can be used by individuals who want to nominate beneficiaries for their benefits in South Africa.Q: What benefits can be nominated using Form WP1002?A: Form WP1002 can be used to nominate beneficiaries for retirement funds, life policies, and other similar benefits in South Africa.Q: Are there any fees associated with submitting Form WP1002?A: It depends on the financial institution or service provider. Some may charge fees for processing the form.Q: What information is required on Form WP1002?A: Form WP1002 typically requires information such as the nominee's name, contact details, and relationship to the member or policyholder.Q: Can I change my nominated beneficiaries after submitting Form WP1002?A: Yes, you can generally update or change your nominated beneficiaries by submitting a new Form WP1002 to the relevant financial institution or service provider.Q: Is Form WP1002 legally binding?A: Yes, if properly completed and submitted, Form WP1002 is legally binding in South Africa.Q: What should I do with my completed Form WP1002?A: You should submit the completed form to the relevant financial institution or service provider as instructed.

Beneficiary nomination form meaning. What is beneficiary nomination. Beneficiary nomination meaning.