



# DEATH & DIVORCE

## Death

### Q What happens to my plan on death?

**A** Your SIPP is written under a master trust deed and so any benefits on your death are paid out at the discretion of the trustees, in conjunction with the Scheme Administrator of your plan.

During your lifetime you may have nominated certain beneficiaries to receive your pension benefits on your death by completing an 'Expression of Wish Form'. If so, the trustees and Scheme Administrator will take this into account when deciding to whom benefits are paid.

### Q What is the process of claiming?

**A** We will need to see the original death certificate, and a copy of your will if one exists. We will also ask your next of kin or the person dealing with your estate to complete a 'Death Benefits Enquiry Form' to provide us with full information on any potential beneficiaries.

The trustees, in conjunction with the Scheme Administrator, will then decide to whom death benefits should be paid, taking into account any expression of wish previously given by you, and then liaise with the beneficiaries regarding their options.

### Q Does my plan form part of my estate?

**A** No - your plan is written under a master trust deed and so does not normally form part of your estate in the event of your death.

### Q Can I nominate a beneficiary?

**A** Whilst the trustees and Scheme Administrator of your plan have ultimate discretion as to whom death benefits are paid, you can nominate beneficiaries who will be taken into account in their decision-making process.

### Q Who can I nominate as a beneficiary?

- A**
- You can nominate for your death benefits to be distributed to one person or to a number of people in equal or different shares.
  - You can nominate a UK registered charity.
  - You can also put your death benefits into a trust - you should obtain specialist legal advice with regard to establishing a death trust.

### Q How do I nominate or change a beneficiary?

**A** By completing the 'Expression of Wish Form', available from our [website](#), and sending this to us. Your nomination can be changed in writing at any time.

### Q What is paid out on death?

**A** Your beneficiaries (as determined by the trustees and Scheme Administrator of your plan) will normally have the following options:

- Take a lump sum, or
- Take income drawdown from your remaining plan, or
- Purchase an annuity on the open market.

**Q** What tax is paid on death benefits?

**A** Lump sum

If you were to die before the age of 75, a lump sum can be paid to beneficiaries without deduction of tax, providing it is paid within two years of the notification of death and does not exceed the lump sum and death benefit allowance.

If the lump sum payment is made after the two year deadline has passed, or if you are aged over 75 at the time of your death, tax charges will be deducted under PAYE by the pension scheme administrator.

**Drawdown**

Flexi-access drawdown payments can also normally be made tax free if you were aged under 75 at the time of your death.

For any funds designated for drawdown more than two years after the notification of death, or if you were aged over 75 at the time of your death, the proceeds will be taxable at the beneficiary's marginal rate of income tax.

Please note that the tax treatment depends on the individual circumstances of each beneficiary and may be subject to change in the future.

**Q** What if I have an annuity?

**A** This will depend on the options you selected when you purchased the annuity. When you purchase an annuity you can choose to include a spouse's, civil partner's or dependant's pension in the event of your death, but this may reduce the amount of regular income the annuity pays you during your lifetime.

Please note that James Hay is not an annuity provider. The options available may vary and should be confirmed with your selected annuity provider.

**Divorce**

**Q** What happens to my plan in the event of a divorce?

**A** This will depend on what is agreed by the court in respect of the divorce settlement. If the court grants a pension sharing order, then part of your plan may be transferred to another plan set up by your ex-spouse or former civil partner, with James Hay Partnership or another provider.

**Q** What if I have an annuity?

**A** This will depend on what is agreed by the court in respect of the divorce settlement. The court may rule that part of the regular income from your annuity should be paid to your ex-spouse or former civil partner.

Please note that James Hay is not an annuity provider. The options available may vary and should be confirmed with your selected annuity provider.

**Q** What happens if I am in income drawdown in the event of a divorce?

**A** This will depend on what is agreed by the court in respect of the divorce settlement. If the court grants a pension sharing order, then part of your plan may be transferred to another plan set up by your ex-spouse or former civil partner, with James Hay Partnership or another provider. We will recalculate your maximum income amount based on the value of your remaining plan at the start of your next pension year.

Contact us on:



03455 212 414



www.jameshay.co.uk

If you do not have a financial adviser and would like to speak to one, you can obtain a list of financial advisers local to your area by visiting [MoneyHelper](#) or by calling MoneyHelper on 0800 011 3797.

We are able to provide literature in alternative formats. For a Braille, large print, audio or E-text version of this document call us on 03455 212 414 (or via the Typetalk service on 18001 03455 212 414).

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