

For customers

Our new
platform

nucleus^o
platform

Death benefits

 5 minute read

This guide aims to explain our role following the death of a SIPP customer. If there's anything you don't understand, please don't hesitate to get in touch.

Our process

What we do as soon as we are informed of the customer's death

- Cancel any regular income payments and associated disinvestments
- Complete a valuation to allow the available benefits to be calculated
- Remove any existing authority to provide instructions under power of attorney
- Request an original or certified copy of the death certificate
- Request a copy of the Will
- Issue a **Death Benefits Enquiry Form** for completion by all relevant parties
- Check whether the deceased customer had completed an **Expression of Wish**.

Financial adviser instructions including trading instructions

If there's an adviser appointed for the plan, we will continue to accept instructions from them until we're notified otherwise in writing by all the beneficiaries of the plan.

We hold no responsibility for any reduction in the value of the funds held within the plan following trading completed by us when acting on instructions provided by the adviser for the plan.

Following a customer's death, any previously agreed adviser charges will cease to be paid from the plan. If a beneficiary takes over the plan and reappoints the existing adviser, the beneficiary will need to complete a new adviser charges agreement to authorise any future adviser charges.

Issuing the options to the identified beneficiaries

Upon receipt of the **Death Benefits Enquiry Form** and copy of the Will, we'll begin the process of formally identifying the potential beneficiaries.

We have a discretion as to who will receive benefits from the customer's plan and in what proportions. We exercise this discretion taking into account all relevant factors of which we are made aware (including any expression of wishes completed by the customer).

In order to exercise the discretion appropriately, we may need to ask for additional information from potential beneficiaries, the customer's executors, solicitor, the adviser or other relevant parties.

Once we have exercised our discretion, we will notify the identified beneficiaries. We will calculate the estimated benefits available to the identified beneficiaries and issue these details along with the relevant form to allow confirmation of the option the beneficiary has selected.

The letter confirming the options available to the identified beneficiaries will be sent to the beneficiaries and/or the adviser dealing with the death claim.

The benefits calculated are not guaranteed, as they will fluctuate with the underlying plan value.

Reminders we will send

Please note that if the customer died under age 75 and the death benefits are not taken within a two year period, there may be tax implications. Any tax charges will be deducted under Pay as you earn (PAYE) by the Scheme Administrator. You should speak with your adviser about this.

We will remind the adviser and beneficiary as appropriate to ensure the death claim is dealt with in a timely manner.

Things to consider before completing the death benefits option form

How the identified beneficiary wishes to receive the death benefits will depend on their personal circumstances and we recommend that they seek appropriate advice from a regulated financial adviser if they are in any doubt about what to do. Please note, there are circumstances in which an identified beneficiary's only option will be to take the benefits allocated to them as a lump sum payment from the plan. The communication we send to the beneficiary will set out where this is the case.

Matters for the beneficiary to consider will include:

- Whether they need the money now or wish to keep it invested within a largely tax-free pension environment
- What other income they currently receive and any pensions they own that they may wish to draw benefits from in the future

- What their future needs may be, as a SIPP product can't provide a set income for life in the same way as an annuity, for example. Therefore, another product may be better suited to their needs
- That inflation can erode the real value of the income received from savings and pensions, and so they may need to increase their levels of income in the future just to maintain the same level of purchasing power
- If they take death benefits as an income, they may have to pay additional charges. Charges they pay will reduce the value of the fund over time and therefore affect the income available
- Any lump sum and/or income they receive may affect their entitlement to means tested benefits
- Any creditor may have a call on any money taken from the plan
- Being aware of investment scams and being careful when deciding whether and where to invest the money
- If a beneficiary is considering using the death benefits to purchase an annuity, they should be aware that normally it is not possible to change the chosen level of annuity income in the future. Consideration should be given to future circumstances to ensure that the annuity income will remain adequate in the future.

Completing the death claim

To allow the benefits to be paid we require the following:

- Original or certified copies of the death certificate (which will be returned to the sender by recorded delivery)
- A **Death Benefits Enquiry Form** completed by any relevant party
- Copy of the Will
- The return of any identified unauthorised income payments
- A fully completed **Beneficiary Options Form** that is signed and dated to confirm if the lump sum or flexi-access drawdown option is chosen
- Evidence of the beneficiary's identity in all cases and evidence of age if either taking flexi-access drawdown or purchasing an annuity
- If an annuity is to be purchased, a copy of the annuity provider's application form will be required.

We may request additional information to help us exercise our discretion when selecting beneficiaries. We will allow a reasonable period for responses to any such requests. However, if we do not receive a response, we reserve the right to proceed with our decision where we consider it reasonable to do so.

Please note that if there is more than one beneficiary, we typically won't initiate payment of any of the above options until all confirmed beneficiaries have provided their written instructions. This includes the surrendering of investments. Therefore payment of death benefits to any beneficiary could be delayed.

Please be aware that where we have received forms by secure message, we'll require receipt of the original form by post, signed by the beneficiary, along with the supporting documentation before the benefits can be paid or income records setup.

If applicable, the tax deducted from income payments will either be on the official emergency code or in accordance with any tax code for the beneficiary that HM Revenue and Customs (HMRC) has provided to us.


For lump sums, which are a one-off payment, the emergency code will be applied. A P45 form will be issued to enable the beneficiary to either claim a refund from HMRC or calculate additional tax payable, depending on the beneficiary's personal circumstances.

Confirmation of benefits


Confirmation of when this has been completed will be sent to the adviser(s) or beneficiary(ies), as appropriate, upon completion of the death claim.

Additional support

If you or someone you know could benefit from additional support, we encourage you to contact the charity **Cruse Bereavement Support**. They provide expert bereavement and grief support. You can visit their [website](#) or call their Cruse helpline 0808 808 1677.

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