Adviser guidance

Death claims process

Our process

The Nucleus terms and conditions set out our standard death claims process and exceptions are dealt with by management in accordance with their responsibilities as devolved by the executive.

We will continue to deduct Nucleus Platform Charges while the Assets remain in the client's account. However we will stop deducting ongoing Advice Fees upon notification of Death.

Default position, paperwork requirements

Before we can settle your late client's account, there is paperwork that we need to obtain. Our default position is to request sight of a certified copy of the death certificate and the original or certified copy of the court sealed grant of probate (Grant of Confirmation in Scotland) in all cases. Grant of Probate sets out who the executor(s) is/are, and we'll be required to act on their instruction. Settlement instructions should be provided on our death claim declaration.

The following paperwork will be requested in all instances:

- Certified copy of the death certificate (original can be accepted by post).
- Certified copy of the Will or confirmation they died intestate (pension/drawdown accounts) (original can be accepted by post).
- Death claim declaration completed by the beneficiary, or beneficiaries for Pension/Drawdown account.
- Death claim declaration must be completed by the executor(s) for any Isa/General/Bond accounts.
- Grant of Probate (or Grant of Confirmation in Scotland) (certified copy of original sealed document scanned to Jira, original sealed document can be accepted by post).

How to re-instate ongoing Adviser fees

If required, we can reinstate the ongoing adviser charge upon receipt of a signed instruction by the Executors or Beneficiaries. This can only be backdated to the start of the current month the instruction is actioned in. Please arrange for the Change to annual advice fee form (0410) to be completed in these instances.

For more information on who needs to sign this form, please contact the client relations team.

Pensions

Exception handling for the payment of pension death benefits

Pension death benefits sit outside an individual's estate and are not subject to Probate. Sight of Probate is therefore not required as standard for pension death settlement. The process for the payment of pension death claim benefits is as follows:

- Expression of wishes completed and on file.
- Certified copy of the Will.
- Original death claim declaration completed by the beneficiary or beneficiaries.

If the client had a Pension or Drawdown account, please provide the following details on the death claim declaration:

- Whether the client had any financial dependents
- Whether you know of anyone else who will plan to make a death claim
- Any other information that could help us identify all possible beneficiaries

As the SIPP is a trust-based arrangement, the Nucleus trustees are required to consider all potential beneficiaries before deciding how the benefits should be distributed. This ensures that:

- No one who may be eligible is missed
- There are no conflicting claims
- The death-settlement process is managed smoothly and efficiently

Where the client dies without a Will, we may be able to rely on the Expression of wishes if this is aligned to the death claim declaration and we aren't aware of any other potential claim to the benefits.

However, this will be assessed on a case-by-case basis. If the Expression of wishes is over five years old, or there isn't one, we reserve the right to request Probate.

We would recommend that advisers ensure Expression of wishes are reviewed annually and kept up to date. Our nomination of death benefits form (0110) can be found in the Library under 'Account specific documents/Pension documents'.

Uncrystallised death benefits must be paid within 2 years of us being notified of the client's death. If they are not settled within this timeframe, any payments will be taxable as per the beneficiaries margin rate.

Beneficiary drawdown

A pension beneficiary can open a beneficiary drawdown account on the platform to access the benefits – we'll need a new drawdown account keyed:

- If the beneficiary doesn't already have an account with Nucleus - please add the client to the platform and make sure that their bank account is captured.
- Next key the application for drawdown with a transfer for the value of £1, chose "Other" as the ceding scheme and leave the Nucleus address populated.
- The reference can be the deceased client's reference number. You only need to add 1 transfer case.
- If multiple pension wrappers were held by the deceased client, these can be combined into a single beneficiary drawdown plan.

If the deceased client died over the age of 75, the payment will be taxable on settlement.

The following additional paperwork should be supplied:

- Online application summary.
- Declaration where the executor(s), beneficiary/beneficiaries aren't already a Nucleus client and wish to open a Nucleus wrapper.

If you have any further questions, please contact your client relations manager.

Appropriate Personal Pension (APP) – closed to new business

The APP is provided by Scottish Friendly Assurance (SFA) and their process is to request Probate before pension death benefits are paid out. However, if we are satisfied Probate isn't required, we can make arrangements with SFA to waive Probate.

Exception handling for small estates (excluding the pension account)

In some instances, we find that the deceased may not have assets of value that warrant the beneficiaries seeking Probate.

In such circumstances, we may be willing to waive probate requirements.

We may not be able to waive Probate for the Offshore Bond or Onshore Bond without product provider approval.

Additional Permitted Subscription (APS)

If the deceased held an Isa, you could look to use APS (additional permitted subscription) for the money to move to their spouse. If they wish to use this option, we'll need the following additional paperwork:

- APS declaration (0270) if looking to transfer the Isa allowance to the surviving spouse.
- Declaration where the executor(s), beneficiary/beneficiaries aren't already a Nucleus client and wish to open a Nucleus Isa.
- If you wish to transfer in from an external source and APS limit, please see the Additional permitted subscriptions (APS) from an external source user guide (0425) in the platform library.

General account

Joint General account, change of ownership

If the deceased held a jointly owned General account, this will move to the survivor's name. We can't remove the deceased from the account, as the holdings must be moved to a new General account in the survivor's sole name:

- For General accounts changing ownership, please confirm if the bank account name is to be changed – from joint account to single.
- For joint General account capital gains calculations, please arrange for any rebase updates (discounting the deceased person's capital gains) via the Narrate CG tool.

New General account

If a single General account is not already available, please create a new General account under the remaining account holder:

- If the original account had a regular payment or withdrawal, please key this on the new account.
- If there was no regular contribution, please add a lump sum £100 to the application, as we need a contribution to open the account.
- Ensure any adviser fee (either ongoing trail fee or initial fee on any regular contribution) is added to the new account.
- If the original account was linked to a model portfolio you can link it once the new account has been activated.
- If the original account was linked to a discretionary fund manager (DFM) then the DFM will be linked to the new account at the same time the transfer of assets and cash is processed.

Existing single owned General account

If the remaining account holder has a General account in their own name already, we can transfer the cash and assets to this:

- As above if a regular contribution or regular withdrawal is to continue, please submit a top up onto the account accordingly.
- If the DFM is not already linked, this will be done at the same time the transfer is processed.
- Please note, if a regular contribution is to continue, we don't need a new DDM to set this up on the new account, providing the contribution is to continue from the same bank account. If the contribution is to be funded from a new bank account, please provide a new DDM with the application summary on this Jira.
- Once the account has been keyed, please attach the application summary to a Jira and we will proceed with the transfer.

Bonds

Onshore and Offshore bonds

When a single bond holder dies the policy is not 'automatically' surrendered. Are there continuing lives assured?

- Yes – bond can continue and forms part of the deceased's estate; this will pass according to the will or laws of intestacy.
- No – bond will be surrendered; sells are placed by Nucleus automatically upon receipt of the last life assured's death certificate.

Where bonds are jointly owned, they will usually pass by way of survivorship following death of 1st policy holder - again refer to the lives assured.

Assignment death process

It's worth noting that jointly held bonds will usually pass by way of survivorship (moving from one holder to the other) following death of the first policyholder depending on how the bond has been structured i.e. first or last life assured:

- Assignment can be processed to someone other than a life assured, depending on the death claim declaration.
- An individual client bond upon death of last life assured will be automatically sold while we await the death claim declaration.

Bond held in trust

Where a bond is held in trust the main requirements are the same; we must always review the life assured status first. This will determine if the bond can continue (last life) or must be sold to cash and surrendered.

Chargeable event certificates (CEC's)

Please be mindful to review lives assured as this will determine the issue of CECs. However as a rule, we'll issue certificates in the following scenarios:

- Full surrender following the death of the last life assured, within 2 months using the date of death.
- Following the death of one life assured where the bond can continue, within 2 months using the date of death.

Paperwork

In addition to the default paperwork requirements, for a bond we'll also require the following:

- Return of policy schedule or lost policy schedule (RL360 requirement only).
- For Offshore bonds – Isle of Man (IOM) Probate may also be required (original can be accepted via post).
- Deed of assignment (if required).

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