

EXPRESSION OF WISH FORM – SIPP

Scheme name	
	(‘the scheme’)
Dependant/Nominee/Successor name	

NOMINATION – DEPENDANTS/NOMINEES/SUCCESSORS IN DRAWDOWN

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 overleaf provide further explanation: please read these carefully.

PART ONE: SPECIFIC NOMINATION(S)

If you want the scheme to consider paying benefits to any particular person*, please give their details below and indicate what percentage of your funds you want to go to them.

Name and address	Relationship to you	Percentage of fund

If you want the scheme to consider paying benefits to another person* if none of those specified above survive you, please give their details below.

Name and address

** This can include charities and other organisations as well as individuals*

Or

Please pay any death benefits to the trustees of the _____ Pension Death Benefit Trust. In the event that it is decided it is no longer beneficial for death benefits to be paid into the aforementioned trust, please pay benefits to the persons in the table above.	Date of deed:
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PART TWO: AVAILABILITY OF DRAWDOWN

An individual chosen by the scheme may wish to take drawdown instead of receiving a lump sum, but this may only be possible if they are a ‘successor’. The notes overleaf explain this in more detail. If you want to ensure the option of drawdown is available to them, tick the box below.

In addition to any specific nominations above, I nominate as a ‘successor’ for the purposes of the relevant tax legislation any individual who is eligible to receive a lump sum on my death, so that the scheme can offer drawdown to them as an alternative.

Finally, please sign and date the form, make a copy for your own records and return to City Trustees at MW House, 1 Penman Way, Grove Park, Enderby, Leicester, LE19 1SY.

Member to complete	Signed:	
	Date:	
	Print name:	

NOTES

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.

Definitions

'Beneficiary' 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 your spouse/civil partner, children, other relatives, dependants and any beneficiary under your will.

'Dependants' includes anyone who is dependent on you due to mental or physical impairment, and anyone who is financially dependent on you/with whom you are financially mutually dependent. Where a child of the member qualifies as a dependant because they are aged under 23 (rather than through mental or physical impairment) and first designated funds into a drawdown fund or flexi-access drawdown fund before age 23 and reached age 23 on or after 16 September 2016, they can continue to receive a dependant's income withdrawal or a short-term annuity from flexi-access drawdown as authorised payments regardless of their age.

'Successor' for drawdown purposes means an individual who is nominated by you. The tax legislation also allows the scheme to nominate an individual, but only if there is no individual or charity nominated by you.

References to 'the scheme' as a person are to the operator plus any co-trustees of your individual funds.

Availability of drawdown

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

- An individual 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 they were not nominated. The scheme administrator cannot nominate them because the ex-spouse has been nominated by the individual
- An individual nominates his spouse and, if she should not survive him, a charity. They die together. The scheme can pay lump sums to the charity and/or a wide range of other beneficiaries but it cannot offer any of them drawdown as an alternative

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 in part two of the form. Doing so does not mean the scheme will pay benefits to all of them, nor that it will ignore any more specific wishes you have. It means the scheme will have greater scope to offer drawdown as an alternative to lump sums, particularly where your nomination form becomes out of date.

Taxation of benefits on the death of a dependant/nominee/successor of a member

Lump sums:

- Are free of income tax if you die before age 75, as long as they are paid within two years from when the scheme was/ought to have been aware of the death
- Are in any case free of income tax if paid to a charity nominated by you, where there are no dependants of the member i.e. the member of the scheme to whom your individual funds originally relate
- Are subject to the recipient's marginal rate of income tax if death occurs after age 75. Payments made to non-qualifying individuals will continue to be liable to a 45% tax charge

Drawdown payments:

- Are free of income tax if you die before age 75 without any time limit for designating/paying the funds
- Otherwise are likely to be taxed as income at the recipient's marginal rate

Benefits from the scheme on death at any age are usually free of inheritance tax, because the recipients are chosen by someone other than you, and this is the main reason why the rules of the scheme do not treat this form as binding.

Miscellaneous

If there is any further information which you think may help, please provide it on a separate sheet.

This form will be taken as a complete statement of your wishes regarding death benefits under the scheme. You may update your wishes at any time by submitting a replacement form.

These notes give a brief summary of relevant rules of the scheme and tax legislation as at 16 September 2016. They do not override those rules or legislation and are not a substitute for specific legal advice. The rules and legislation are subject to change in the future.