PENSION PORTFOLIO TRUST

ADVISER GUIDE

LIFE'S BETTER WITH A PLAN

AVIVA WEALTH

WHAT IS THE AVIVA PENSION PORTFOLIO TRUST?

The Aviva Pension Portfolio Trust is an integrated pension trust which places an Aviva Platform Pension Portfolio account into the trust. If lump sum death benefits become payable, we'll pay them to the trustees of the trust.

This guide explains the death benefits available from Aviva's Pension Portfolio and who can receive them. In general, we may pay them in line with an expression of wish made by your client or to the trustees of their Aviva Pension Portfolio Trust if there is one set up. This guide considers both approaches and which might be suitable depending on your client's circumstances.

This guide takes you through the forms your client must complete once you've decided whether an expression of wish or the Aviva Pension Portfolio Trust is most appropriate.

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PENSION PORTFOLIO DEATH BENEFITS

Before we look at the death benefits we may pay, we need to consider the types of beneficiary who may receive them.

There are five categories of beneficiaries

1.Dependant

A dependant is:

- The scheme member's spouse or civil partner
- a child of the scheme member under the age of 23
- someone who, in the opinion of the Scheme Administrator, is financially dependent or interdependent on the scheme member
- someone who is dependent on the scheme member due to a mental or physical impairment

2. Nominee

A nominee can be anyone specifically nominated on the Pension Portfolio account or in a Death Benefit Expression of Wishes form.

3. Successor

When a dependant or nominee has chosen to receive flexi-access drawdown payments, there may be funds left when they die. The dependant or nominee can arrange to leave these remaining funds to another person when they die in the same way the original member did.

Whether the subsequent beneficiary is a dependant or nominee becomes irrelevant as we will class them as a successor.

If a successor chooses to receive benefits as flexi-access drawdown payments, they can also leave any funds remaining on their death to an elected dependant or nominee. That person will also be classed as a successor. This allows families to pass benefits down the generations.

4. Trust

If the contract has not been placed under an integrated trust, when the member dies, we use our discretion to choose the beneficiary of the death benefits payable. We will use the Death Benefit Expression of Wishes form to guide our decision.

Two types of trust can receive a lump sum payment:

1. Integrated trust -

If the contract has been placed under an Integrated Trust, the Scheme Administrator doesn't exercise discretion. We will pay any lump sum payable to the trustees of the Integrated Trust. Assuming the member was in good health at the time the Trust was created, it won't lead to any inheritance tax problems.

2. Pilot trust -

It is possible to nominate a Pilot Trust established by the member of the scheme.

5. Charity

Your client can name a registered charity as a beneficiary on the Death Benefit Expression of wishes form.

Benefits payable on death

Pension Portfolio can pay death benefits in any one or a combination of the following ways:

	Dependant	Nominee	Successor	Trust/Charity
Lump sum	Yes	Yes	Yes	Yes
Annuity	Yes	No	No	No
Flexi-access drawdown	Yes	Yes	Yes	No

Lump sum

We can pay a lump sum to any category of beneficiary.

Annuities

We currently offer dependants' annuities, but only when the dependant will receive the annuity for the rest of their life.

For example, we don't offer this type of annuity to a dependant child as it would end when they reach 23 and are no longer classed as a dependant. If a child needs a dependant's annuity, we can use the open market option to buy an annuity from another pension provider.

We don't offer annuities to those classed as a nominee or a successor. If required, you can exercise the open market option to buy an annuity from another pension provider.

Flexi-access drawdown

This option is available for dependants, nominees and successors (aged 18 or over). However, we will accept a designation for drawdown for a child under 18 providing we are given details of another provider to transfer the benefits to immediately.

If this option is chosen, we'll set up a flexi-access drawdown in the name of the dependant, nominee or successor.

Taxation

The taxation of any death benefits depends on the age of the relevant member or current beneficiary (ie dependant, nominee or successor) when they die.

Taxation if benefits paid to an individual

Death before age 75

Benefit options	Taxation	Relevant benefit crystallisation event (RBCE)
Lump sum	• Benefits are free of tax if paid within two years*. • The recipient pays tax on the benefits at their marginal rate of income tax if we pay benefits to an individual outside the two-year window*.	• If the fund is uncrystallised, the benefits will be tested against the lump sum & death benefit allowance. • There is no RBCE if the fund is crystallised or we pay the benefits outside the two-year window.
Flexi-access drawdown	• Benefits are free of tax if designated within two years*. • The recipient pays tax on the benefits at their marginal rate of income tax if the benefits are designated outside the two-year window*.	• There is no RBCE if the fund is uncrystallised, crystallised or if the benefits are designated outside the two year window.
Annuity	• An annuity is free of tax if paid within two years*. • Annuity payments to the survivor with a joint life annuity are tax free. • The recipient pays tax on the income at their marginal rate of income tax if entitled to the annuity outside the two-year window*.	• There is no BCE if the fund is uncrystallised, crystallised or we pay the benefits outside the two-year window.

Lump sum & death benefit allowance

This is a limit HMRC puts on the amount of tax-free lump sum benefits an individual can take over their lifetime and on death.

The individual's remaining allowances reduce each time they take benefits. Their personal allowances may be higher than the standard amounts if they've been granted one or more of the types of protections by HMRC.

Before 6 April 2024, HMRC used a different limit, called the lifetime allowance, on the total value of benefits that could be taken from all pension arrangements. If an individual took any retirement benefits before this date they may have used up some or all of their lifetime allowance. Any lifetime allowance used reduces their lump sum & death benefit allowance.

Lump sum death benefits taken from pension arrangements that crystallised before 6 April 2024 do not count towards the lump sum and death benefit allowance.

For further details about the lump sum & death benefit allowance and the types of RBCE you can go to:
gov.uk/tax-on-your-private-pension

*** Benefits will only be tax free if we pay them within two years of:**
the date when the Scheme Administrator was notified of the death or could reasonably have known of the member's death.

Example:

- Mrs Hinks dies aged 70 with a pre-retirement account valued at £50,000 and a post-retirement account valued at £400,000.
- Using its discretion, the Scheme Administrator selects Mr Hinks as beneficiary. Mr Hinks, as a dependant, requests that Aviva sets up a flexi-access drawdown Pension Portfolio.
- As Mr Hinks has put the funds into beneficiary's drawdown within two years of Aviva being notified of Mrs Hinks' death, there is no tax to pay.
- Mr Hinks can take an income and/or lump sums from the dependant flexi-access drawdown free of tax for his lifetime.

Death age 75 and over

Benefit options	Taxation	Relevant benefit crystallisation event (RBCE)
Lump sum	The recipient pays tax on the benefits they receive at their marginal rate of income tax.	No
Flexi-access drawdown	The recipient pays tax on the drawdown income they receive at their marginal rate of income tax.	No
Annuity	The recipient pays tax on the income at their marginal rate of income tax.	No

Example:

- Mr Collins dies aged 77 with a post-retirement account valued at £200,000.
- Mr Collins was a widower, so the Scheme Administrator uses its discretion to pay his two adult children as beneficiaries in equal shares.
- Both children request flexi-access drawdown. As neither was a dependant, we open two nominee flexi-access drawdown accounts, paying £100,000 into each.
- The children will pay tax on any sums drawn from their flexi-access drawdown accounts at their marginal rate of income tax.

Taxation if we pay benefits to a charity

We can pay a lump sum to a registered charity nominated by the member, nominee or successor.
We can only pay a Charity Lump Sum Death Benefit where the member doesn't have any dependants.

A payment of a Charity Lump Sum Death Benefit does not count towards the Lump Sum & Death Benefit Allowance, so we'll pay it free of tax. The rules are the same whether the member, nominee or successor dies before, at or after age 75.

Taxation if we pay benefits to a trust

When a member, dependant, nominee or successor dies under age 75, any lump sum due to a trust will be tax free if paid within the two-year window provided the member has not exceeded the lump sum & death benefit allowance. If the member's lump sum & death benefit allowance is exceeded the beneficiary may pay income tax on the excess. If we pay the lump sum outside of the two-year window, it will be subject to the special lump sum death benefit charge, which is a flat rate of 45%.

When a member, dependant, nominee or successor dies aged 75 or above, any lump sum paid to a trust will be subject to the special lump sum death benefit charge of 45%. The Scheme Administrator is responsible for paying this charge and will normally deduct it before paying the lump sum to the trust.

Example:

Member dies age 78, leaving a pension fund of £100,000.

Fund is to be paid to a trust

Scheme administrator pays £45,000 to hmrc…

…And pays the remaining £55,000 to the trustees.

Let's say the trustees then pay a beneficiary:

Trustees pay £55,000 to the beneficiary.

Beneficiary receives £55,000 with a 45% tax credit = £100,000.

£100,000 is added to beneficiary's other income for the tax year.

The beneficiary can claim a refund if the tax paid is more than the tax due.

Flexi-access drawdown

We can also compare paying lump sum death benefits to a trust with flexi-access drawdown.

A member dies aged 78 with a pension fund of £200,000. The table below compares the taxation of paying the benefits as flexi-access drawdown with paying them as a lump sum death benefit to a trust:

Beneficiary with £18,000 of taxable income	Flexi-access drawdown	Trust
Benefits after tax	£200,000	£110,000
Amount drawn by the beneficiary	£12,500	£6,875
Gross payment	£12,500	£12,500 with a 45% tax credit of £5,625
Tax due for a basic rate taxpayer	Tax @ 20% = £2,500	Tax @ 20% = £2,500
Tax reclaim	Nil	£3,125 (£5,625 - £2,500)
Net payment	£10,000	£10,000

*This calculation doesn't reflect any differences in the Scottish and Welsh rates of income tax and is based on tax rates for the rest of the UK

This shows the net tax position for the beneficiary is the same whether benefits go into drawdown or are paid as a lump sum to a trust. The recipient is liable to tax at their marginal rate. However, the flexi-access drawdown fund will have advantages:

1. More is invested at the outset because the whole death benefits are invested (if the member is aged 75 or above at the date of death).
2. The pension fund is largely free of tax compared to the trust fund, which is taxed at the trustee rates.
3. The position on flexi-access drawdown can change depending on the age at which the last beneficiary dies.

The trust may also be liable to exit and periodic charges. Periodic charges may apply if the value of the trust is more than the inheritance tax nil rate band at each 10-year anniversary. However, it will only be at 6% on the excess. Any benefits paid out of the trust to a beneficiary more than two years after the member's death may be subject to an inheritance tax exit charge. Again, this will be at a maximum rate of 6%.

Depending on the circumstances, there may be more than one periodic charge date. The first 10-year periodic charge date will be the earliest of these dates after the date of death:

- the tenth anniversary of your client's Pension Portfolio commencement date.
- the tenth anniversary of joining a previous trust-based pension arrangement which transferred to Aviva's Pension Portfolio.

The next one would be on the tenth anniversary of the first, and then every ten years.

DEATH BENEFITS PLANNING

In this section, we look at the importance of tax planning with pension death benefits. We consider the tax treatment, practicalities and control issues of choosing different routes to pay death benefits.

Formerly, members of pension schemes often used a trust for tax planning with pension death benefits. When it comes to paying death benefits, there isn't any tax advantage of using a trust compared to flexi-access drawdown. In fact, in most cases, there is a tax disadvantage.

1. Taxation of death benefits in flexi-access drawdown

- The drawdown fund is not normally subject to income or capital gains tax.
- When an income withdrawal is taken:
  - there is no income tax where the member died before age 75 and the benefits are paid within two years of the date we were notified of the member's death or could have reasonably known of that death.
  - income tax is due at the recipient's marginal rate where the member died on or after age 75 or where the member died before 75 and the benefits are not paid within the 2 year period mentioned above.
- As the drawdown fund is not treated as being in the estate of the dependant, nominee, or successor, it won't normally be subject to inheritance tax.

2. Taxation of lump sum death benefits paid to a trust

- When we pay a lump sum to the trustees:
  - There is no tax charge if the member dies before age 75, any uncrystallised benefits are within the member's remaining lump sum & death benefit allowance and benefits are paid within two years.
  - There is a tax charge of 45% if the member dies age 75 or above.
- Trust funds are taxed at the trustee rates.
- The trust may have to pay exit and periodic charges in the future.
- Where the member dies on or after age 75, a special lump sum death benefit charge must be paid. Any payments to beneficiaries will be made with a 45% tax credit, and taxed at the beneficiaries' marginal rate of income tax.

It's clear from this comparison that flexi-access drawdown is the more tax-efficient option. If funds are paid out of the trust within two years of the member's death, the difference is likely to be minimal. This is because there is limited opportunity for growth (taxable within the trust) and no 10-year periodic charge. If, however, the funds are held over longer periods, the taxation of the growth and any periodic and exit charges will reduce the benefits available to the beneficiaries.

Controlling who receives the death benefits

A dependant, nominee or successor can access the whole fund at any time.

If there are remaining funds when the dependant, nominee or successor dies, the Scheme Administrator will no longer look back to the original member for other dependants (except where a charity is nominated). Instead, the Scheme Administrator will make a decision having looked at the wishes of the dependant or nominee when deciding who should benefit from the pension fund next.

A trust, on the other hand, gives the member more indirect control over who will benefit and when. The member will appoint their own trustees and would normally leave a letter of wishes for the trustees, setting out what they want to happen with the pension death benefits. This gives some measure of control over successive beneficiaries.

This control over who benefits from the pension fund comes at a cost in some cases – the taxation of the trust compared to flexi-access drawdown as outlined earlier. Your client must decide how important that element of control is to them, and that will normally come down to individual circumstances.

AVIVA'S PENSION PORTFOLIO DEATH BENEFIT EXPRESSION OF WISHES FORM

Aviva's Pension Portfolio Death Benefit Expression of Wishes form is a combination of nomination and an expression of wish.

There are two references to 'nominating' on the form:

In Section 1 the member nominates every person and/or charity they want as a potential beneficiary of any death benefits that will be payable under the pension, in line with the Pension Portfolio terms and conditions.

The member can also nominate a non-dependant person or number of people to be able to use the death benefits to provide flexi-access drawdown. Without this nomination only dependants could be offered flexi-access drawdown. This list automatically includes all the nominees in Section 1, with a few exceptions. Any charities or trusts which are nominated in Section 1 aren't eligible for flexi-access drawdown.

For simple nominations you can state who their nominations are on the platform. For complicated nominations, such as where a trust of charity is a nominee, the Pension Portfolio Death Benefit Expression of Wishes form is more suitable.

Who is an eligible beneficiary?

- Anyone nominated by the member
- Widow, widower, or surviving civil partner
- Children, including adopted children
- Grandchildren
- Any person named in the member's will or who may benefit under intestacy laws
- The estate
- A charity nominated by the member in writing

In Section 1, Part A of the Pension Portfolio Death Benefit Expression of Wishes form, the member can tell us who they would actually like to receive any death benefits from their Pension Portfolio and in what proportions.

In Section 1, Part B of the Pension Portfolio Death Benefit Expression of Wishes form, there is a free text box for any additional instructions the member wants to give us. For example, they could tell us what they would want to happen if a named beneficiary dies before them or doesn't need or want their share of the death benefits. The member can also use this box to explain the reason for including or excluding a beneficiary or explaining the split of benefits between beneficiaries.

Remember, the expression of wish isn't binding on the Scheme Administrator, and is only part of the information it will use in exercising its discretion.

The Pension Portfolio Death Benefit Expression of Wishes form provides space in Section 2 to nominate an existing trust – such as a pilot trust. The Pension Portfolio Death Benefit Expression of Wishes form provides space in Section 3 for the member to nominate a registered charity.

For many members, the decision on who should receive benefits will be straightforward.

Example:

- Mr Harvey is married with grown up children. He nominates his spouse and children as beneficiaries on his death but makes an expression of wish that his spouse should receive 100% of the death benefits.
- It's likely the Scheme Administrator will exercise its discretion in favour of his spouse.
- If she requests the benefits as flexi-access drawdown and the Scheme Administrator agrees, it will establish a flexi-access drawdown account for her benefit. She can then complete her own Pension Portfolio Death Benefit Expression of Wishes form asking for any benefits remaining on her death to pass to her children.
- Let's say Mr Harvey is 74 when he dies. This means any withdrawals made by Mrs Harvey through flexi-access drawdown will be free of income tax.
- Let's also say Mrs Harvey is 74, but in very poor health.
- In this scenario, Mrs Harvey decides she doesn't want to be entitled to the death benefits and asks us to pay the fund to her adult children.
- The Scheme Administrator can use its discretion to pay benefits in favour of the children. It can offer them all of the options, including flexi-access drawdown. This is because the Aviva Pension Portfolio Death Benefit Expression of Wishes form automatically nominates all 'eligible beneficiaries' as defined in the terms and conditions, which includes the children.

Case study for an expression of wish

Andy and Paula are both aged 70 and have three children

Andy has a Pension Portfolio with £400,000 in drawdown

Current expression of wish made in 2012 nominates a pilot trust

Paula has an annuity paying £5,000 a year

50% spouse pension

Aims

Andy set up the pilot trust to reduce the potential inheritance tax charge if Paula died after him. Andy has recently been in poor health and is keen to review the death benefits on his pension to make sure the trust is still suitable.

The adviser checks what Andy wants to happen with his pension fund when he dies. He would like Paula to have access to the full fund for her lifetime and for any remaining funds to be passed onto their children when she dies. The adviser checks if Andy would be happy for his spouse to have full control of both the fund during her lifetime and for her to decide who will benefit from it when she dies. Andy confirms he is happy with this.

Problem

The pilot trust was set up with a view to possibly reducing any inheritance tax liability on Paula's death. However, any remaining fund can now pass to the children free of inheritance tax with flexi-access drawdown (although more tax may apply if Paula dies age 75 or over).

Solutions:

Andy's adviser recommends taking these steps:

1 Complete a new Pension Portfolio Death Benefit Expression of Wishes form nominating Paula to receive 100% of the fund. He can use the blank box in section 1, Part B to explain that the fund should be split equally between his children should his spouse die before him.

2 The expression of wish automatically nominates his children in section 1. This means flexi-access drawdown accounts can be set up for their benefit if they are due any funds.

This ensures that the funds can pass to his spouse and/or children as flexi-access drawdown.

The pension death benefits will remain within a tax-efficient wrapper rather than a discretionary trust with tax at the trustee rates.

If Andy dies before age 75, the whole fund will be available to Paula and any withdrawals Paula takes will be free of tax for her lifetime. When Paula dies, any remaining funds are outside of her estate for inheritance tax purposes. Those funds will be subject to income tax if Paula dies on or after her 75th birthday.

If Andy dies age 75 or over, the whole fund passes into flexi-access drawdown. Paula will pay tax on any withdrawals she makes at her marginal rate of tax. This compares favourably to the payment of death benefits to the trust where the funds would be subject to a 45% tax charge. Paula would receive any payments from the trust with a 45% tax credit and may be able to reclaim some of the tax deducted.

In this case, an expression of wish is the simplest and most tax-efficient solution for both Andy and Paula.

AVIVA PENSION PORTFOLIO TRUST

Anyone thinking of using the Aviva Pension Portfolio Trust must rely on the advice of their legal or financial advisers.

Choose the trustees

The Aviva Pension Portfolio Trust may be appropriate where your client prefers to appoint their own trustees to decide who will receive the death benefits rather than the Scheme Administrator.

The trust allows trustees (appointed by your client) to control the trust fund for successive beneficiaries, deciding who benefits and when.

Choosing the form of the death benefits

Your client can choose the form of the death benefits without any inheritance tax consequences so long as they don't also control who receives them. The Aviva Pension Portfolio Trust is an integrated trust. This means that if lump sum death benefits are due, we will automatically pay them to the trust when your client dies. The trustees of the Aviva Pension Portfolio Trust will then decide who will benefit.

If your client is using the Aviva Pension Portfolio Trust, he/she should **NOT** complete the Pension Portfolio Death Benefit Expression of Wishes form. Instead, your client should complete the Aviva Pension Portfolio Trust including the section 'Pension Portfolio – Request to pay death benefits as a lump sum'.

Using the Aviva Pension Portfolio Trust means your client knows the trustees will receive a lump sum death benefit.

If your client nominates a pilot trust on the Pension Portfolio Death Benefit Expression of Wishes form, the Scheme Administrators will exercise their discretion and may pay the lump sum death benefits to the pilot trust. This relies on the Scheme Administrator exercising its discretion in favour of the pilot trust and there is no guarantee that the pilot trust will receive the money.

This is in contrast to an integrated trust such as the Aviva Pension Portfolio Trust, which will definitely receive the money if lump sum death benefits are paid. If the Aviva Pension Portfolio Trust becomes unsuitable, your client can't cancel it, but they can request that the Scheme Administrator pays benefits as a flexi-access drawdown or annuity. They can do this using the form 'Pension Portfolio – direction not to pay death benefits as a lump sum'.

Your client should also complete a Pension Portfolio Death Benefit Expression of Wishes form to tell the Scheme Administrator who they want the flexi-access drawdown or annuity to be paid to. Your client can choose the form of the benefits (for example, as flexi-access drawdown). As the Scheme Administrator will use their discretion on whom to pay the benefits to, there are no inheritance tax implications.

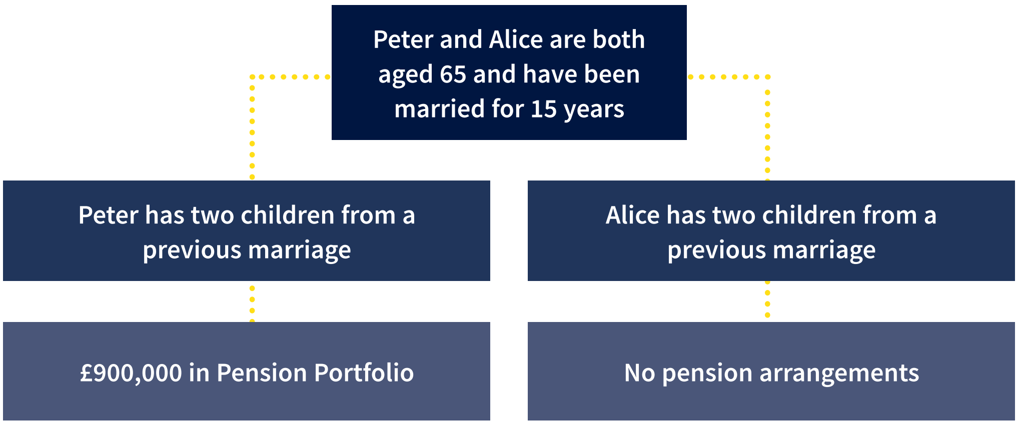
This effectively lets your client change their mind after setting up the trust and enables benefits to be paid as either flexi-access drawdown or as an annuity. For example, your client may want the additional control that appointing their own trustees provides even though the trust is not as tax efficient as flexi-access drawdown.

You and your client must regularly review the suitability of the Aviva Pension Portfolio Trust.

Example:

- Mr French has a Pension Portfolio Trust because he wants to make sure that on his death his pension fund will:
  - provide an income for his second spouse for her lifetime
  - pass to his children in equal shares when she dies.
- Mrs French dies before him, so the Aviva Pension Portfolio Trust is no longer needed.
- Mr French wants to go back to using the expression of wish naming his children in equal shares.
- Mr French should complete the Pension Portfolio – direction not to pay death benefits as a lump sum form and choose whether the Scheme Administrator should pay benefits as flexi-access drawdown or an annuity. As there are no lump sum death benefits payable, we can't pay the benefits to the trust.
- Mr French should also complete a Pension Portfolio Death Benefit Expression of Wishes form.

Case study for an expression of wish



Aims

Peter hasn't thought about what will happen to his fund when he dies and has not made an expression of wish. Peter is clear that he wants to provide for Alice during her lifetime if he dies first. However, he wants any remaining capital to go to his children from his first marriage on Alice's death.

Problem

Peter's adviser explains that if they use a Pension Portfolio Death Benefit Expression of Wishes form naming Alice as the beneficiary, she will have full control of the fund. This means that she could – if she wants – withdraw the whole fund during her lifetime. In addition, she doesn't have to name Peter's children on her own Death Benefit Expression of Wishes which deals with who benefits from any residual fund on her death.

Peter says he's not sure Alice would pass any remaining funds onto his children. In fact, he's fairly confident she would name her own children instead.

Solutions:

Peter's adviser discusses the advantages of the Aviva Pension Portfolio Trust

It isn't necessarily as tax efficient as flexi-access drawdown. However, it allows Peter a greater degree of control in appointing people to make sure his children benefit from any residual pension funds after Alice's death.

Peter needs to complete the trust deed naming Alice along with his two children as default beneficiaries and appointing his own trustees. He also needs to complete the section of the Aviva Pension Portfolio Trust deed entitled "Request to pay death benefits as a lump sum". Peter should also attach a letter of wishes for the trustees. This will set out what benefits he wants Alice to receive during her lifetime, and that the capital should be used for the benefit of his children when she dies.

If Peter dies before age 75, we will pay the fund tax free to the trust. Income arising on the investment of the trust funds will be taxed at the trustee rates, although investment wrappers such as an investment bond could help minimise the tax liability.

Peter's adviser should regularly review the appropriateness of the trust. They may need to alter Peter's planning strategy if, for example, Alice dies first and Peter is happy to revert to a simple expression of wish. A review will also be necessary when Peter reaches age 75 because a tax charge of 45% will apply on benefits going into the trust. This tax disadvantage may outweigh the benefit of control.

If Peter wants to revert to an expression of wish rather than a trust at any time, he can complete the "Pension Portfolio – direction not to pay death benefits as a lump sum form" asking us to pay benefits as flexi-access drawdown. He'll also have to complete a Pension Portfolio Death Benefit Expression of Wishes form.

Important notes about using the Aviva Pension Portfolio Trust

1. Anyone thinking of using the Aviva Pension Portfolio Trust or doing anything under the provisions of the trust must first take advice from their legal and financial advisers. This is because creating a trust will have taxation as well as legal consequences.

2. Any references to the tax treatment of the Aviva Pension Portfolio Trust are based on Aviva's understanding of legislation and HM Revenue & Customs practice at the time of publication. As tax rules and rates are likely to change in the future, you should review your client's arrangements regularly as a liability to tax may arise under an existing arrangement. We've taken every care to give accurate information, but neither Aviva nor its representatives can accept responsibility for loss, however caused, suffered by any person who has acted or not acted because of material published. Tax treatment will depend on individual circumstances.

SUMMARY

If your client wants to choose expression of wishes, you should:

- nominate their beneficiaries online for simple nominations or upload a completed Pension Portfolio Death Benefit Expression of Wishes form if they wish to make more complex nominations
  - The eligible beneficiaries as defined in the terms and conditions are automatically nominated. HMRC require the member to separately nominate to the Scheme Administrator any natural person who is not dependent on them to whom they wish to make beneficiary's flexi-access drawdown available. This gives the Scheme Administrator the option to offer flexi-access drawdown to the beneficiaries.
- use the sections of the form to indicate who they want to receive any death benefits and in what proportions.
- use the blank box in Section 1, Part B of the form to add any additional information they think may be important for the Scheme Administrator in exercising their discretion.

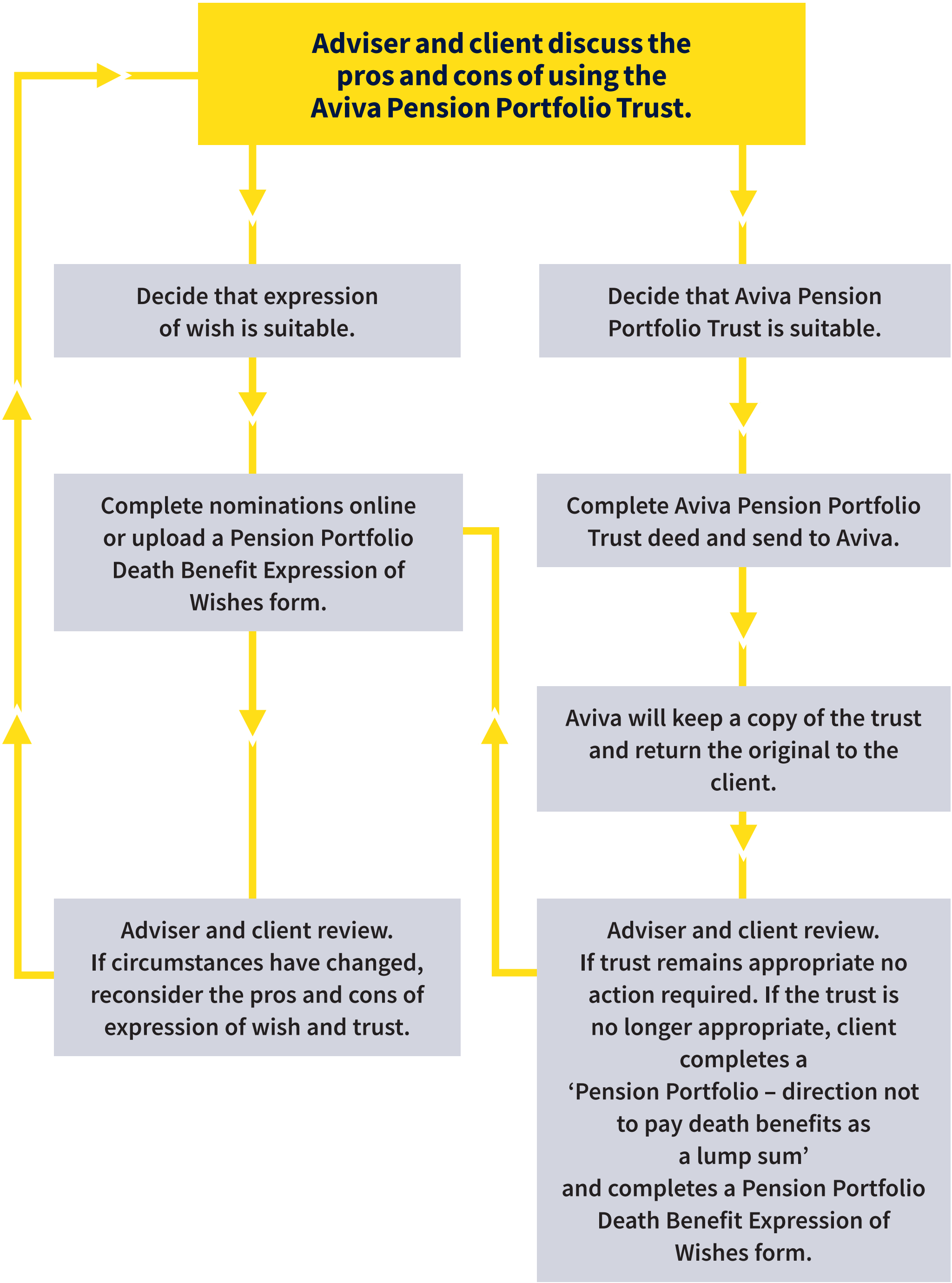
If your client opts to use the Aviva Pension Portfolio Trust, they should:

- complete the Aviva Pension Portfolio Trust Deed, including the section 'Request to pay death benefits as a lump sum'
- attach a letter of wishes for the trustees.

If your client has previously set up an Aviva Pension Portfolio Trust, but no longer wants to use the trust, they should:

- complete the form 'Pension Portfolio – direction not to pay death benefits as a lump sum form'
- complete a Pension Portfolio Death Benefit Expression of Wishes form.

How the process works



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