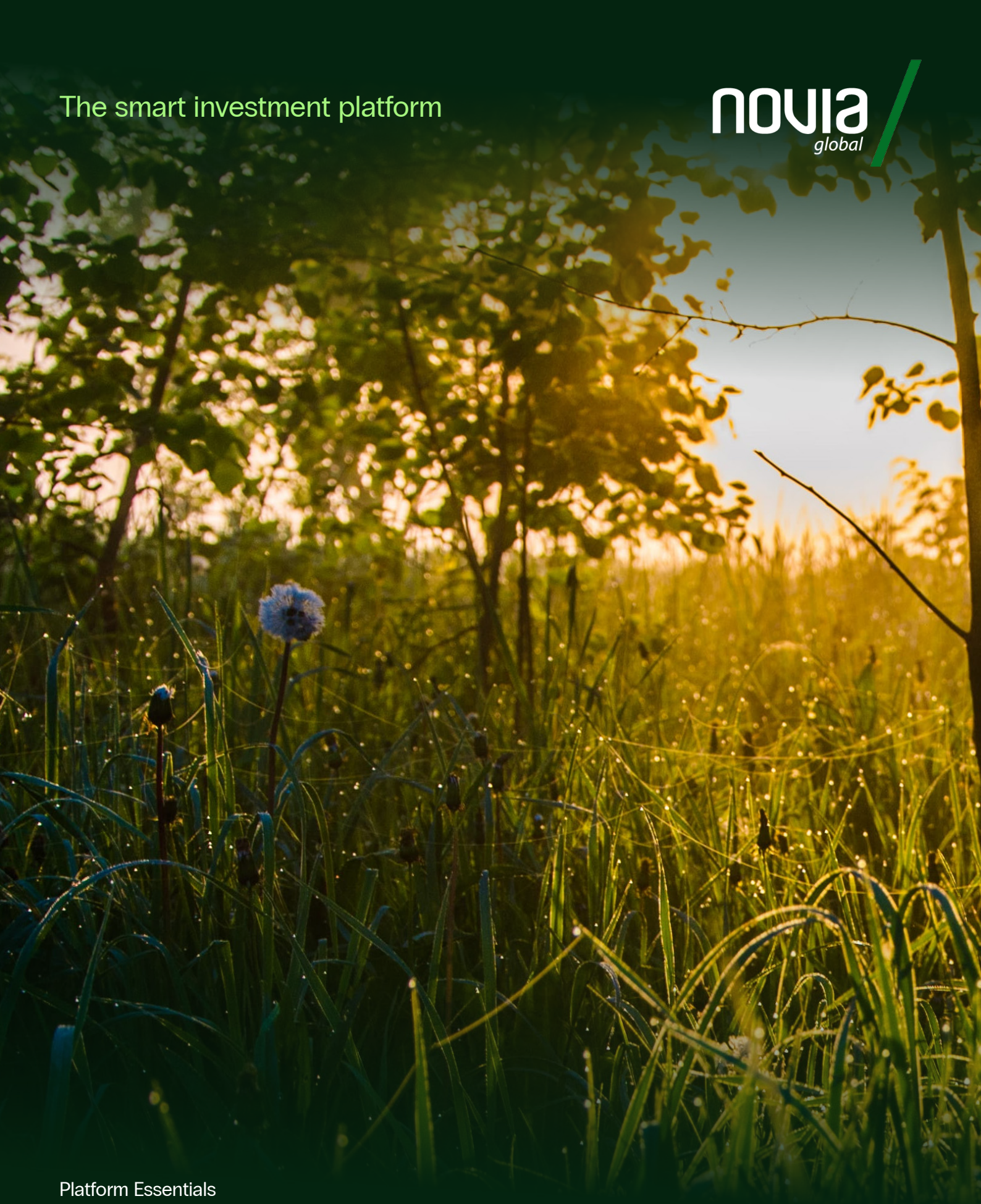
The smart investment platform



Platform Essentials

Passing On Your Pension

A Practical Guide to SIPP Death Benefits

Overview

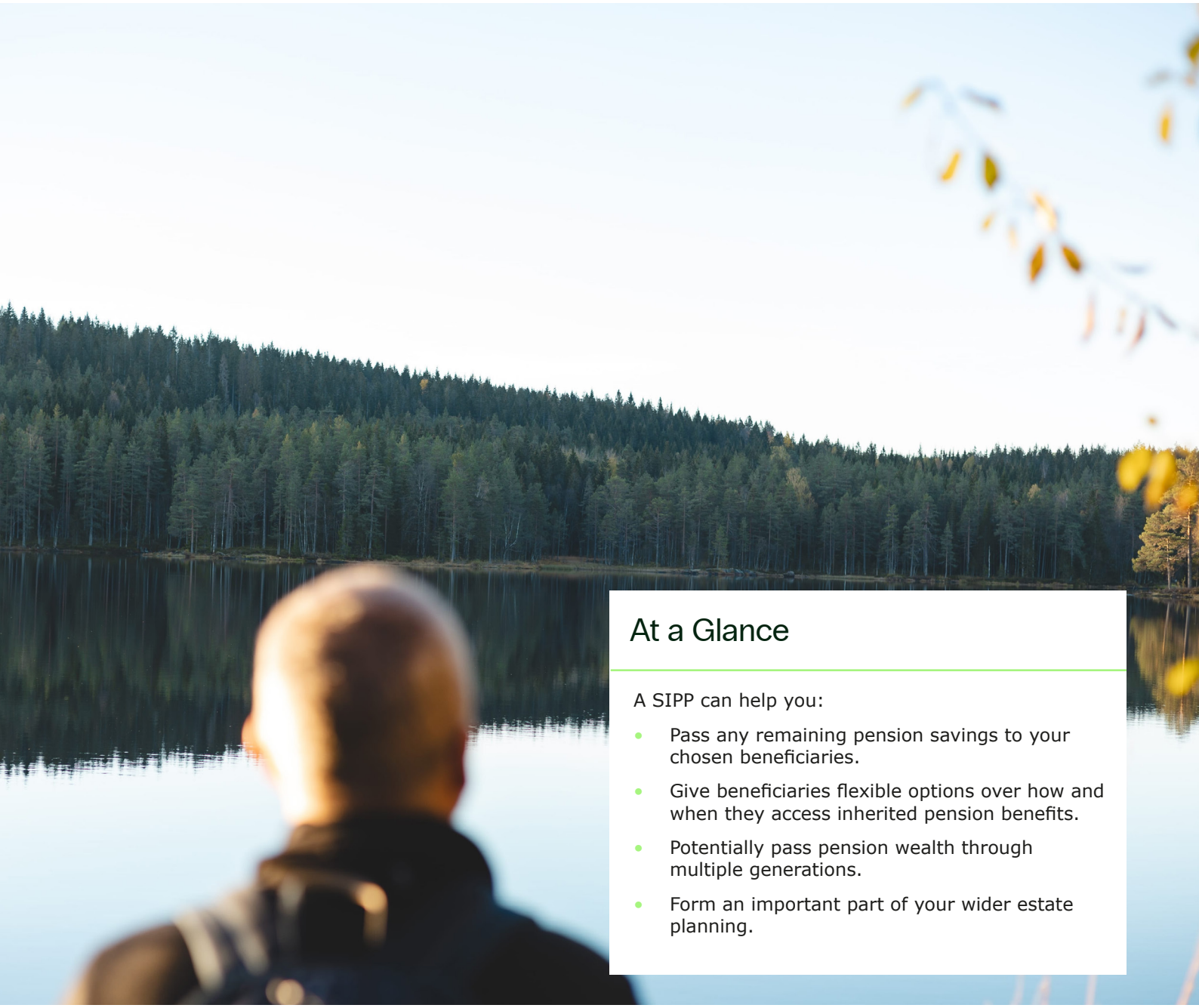
One of the key advantages of a Self-Invested Personal Pension (SIPP) is that it can allow you to pass on any remaining pension savings to your chosen beneficiaries when you die. This flexibility is not always available with other types of pension arrangement or where pension benefits have been used to purchase an annuity.

If you do not withdraw the full value of your SIPP during your lifetime, your beneficiaries can normally choose to receive the remaining pension fund as a lump sum, draw an income from it, or leave it invested within an inherited pension.

To help ensure your pension benefits are distributed in accordance with your wishes, it is important to keep your beneficiary nominations accurate and up to date, particularly following significant life events such as marriage, divorce or the birth of children.

As part of wider financial planning, a SIPP can provide an effective way of passing wealth between generations while providing beneficiaries with valuable flexibility over how and when they access inherited pension benefits.

This guide explains what happens to your SIPP when you die, the options available to your beneficiaries and the key tax considerations that may apply, helping you and your beneficiaries make informed decisions.



At a Glance

A SIPP can help you:

- Pass any remaining pension savings to your chosen beneficiaries.
- Give beneficiaries flexible options over how and when they access inherited pension benefits.
- Potentially pass pension wealth through multiple generations.
- Form an important part of your wider estate planning.

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Novia Global Limited is authorised and regulated by the Financial Conduct Authority. Register Number: 653661.

What Happens When I Die?

When setting up your SIPP you will be asked to nominate one or more beneficiaries. Any pension funds remaining at death can normally be distributed in line with your wishes.

You may nominate a spouse, civil partner, children, grandchildren, other individuals or charities, and specify the percentage each should receive. Beneficiary nominations can be updated at any time and should be reviewed after major life events.

If no beneficiaries are nominated, the scheme trustees will normally look to your estate and any wishes expressed within your Will when exercising their discretion.

Keep Your Wishes Up to Date

Your circumstances can change, so remember to review your beneficiary nominations regularly and after major life events.

You can update your wishes at any time using the Novia Global Expression of Wish Form.

What Are My Beneficiaries' Options?

Beneficiaries will generally be able to:

- Receive a lump sum.
- Transfer the benefits into Beneficiary Drawdown.
- Purchase an annuity.

Beneficiary Drawdown allows funds to remain invested while withdrawals are taken as required. Unlike their own pension savings, inherited pension benefits can normally be accessed immediately without waiting until minimum pension age.

The Journey

SIPP member dies

Beneficiaries notified

Choose Lump Sum / Beneficiary Drawdown / Annuity

If drawdown is selected, funds remain invested and can potentially pass to the next generation.



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How Are Death Benefits Taxed?

If Death Occurs Before Age 75

Benefits can normally be paid free of income tax, whether taken as a lump sum (subject to the Lump Sum and Death Benefit Allowance) or through beneficiary drawdown, provided the benefits are designated within two years of Novia Global being notified of the member's death.

If Death Occurs After Age 75

Benefits are generally taxable at the beneficiary's marginal rate, whether taken as a lump sum or income. Different rules may apply where benefits are paid to trusts or charities.

Lump Sum and Death Benefit Allowance (LSDBA)

The LSDBA is currently £1,073,100 unless Lifetime Allowance protection applies. Lump sums paid in excess of the available allowance are generally taxed at the beneficiary's marginal rate. Financial advice should be sought where appropriate.

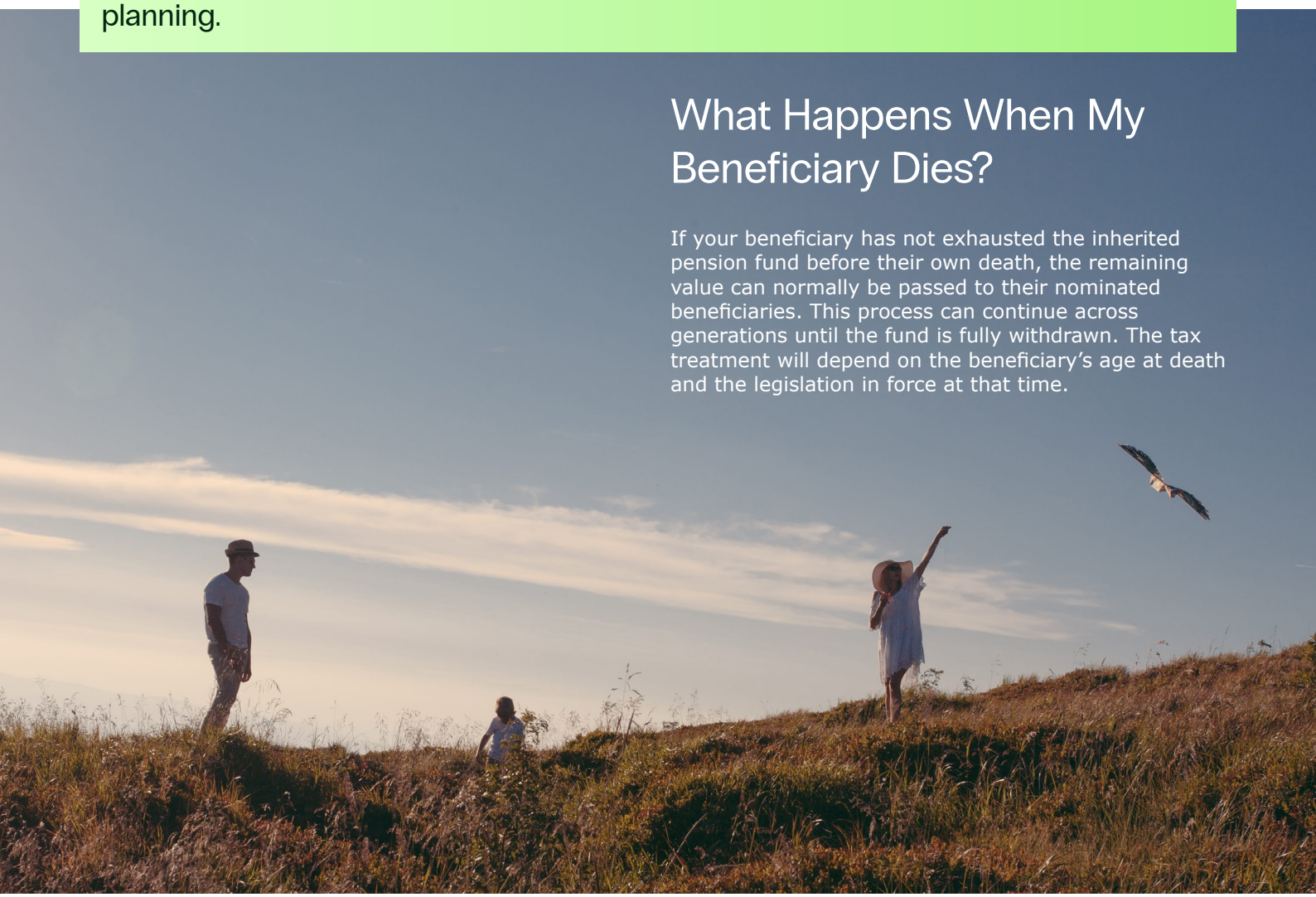
Inheritance Tax (from 6 April 2027)

From 6 April 2027, unused pension funds are expected to fall within the scope of UK Inheritance Tax. The scheme administrator will work with personal representatives to determine whether any IHT is payable. Having an up-to-date beneficiary nomination may assist with estate planning, particularly where a spouse exemption is available.

Speak to your financial adviser to understand how these rules may affect your estate planning.

What Happens When My Beneficiary Dies?

If your beneficiary has not exhausted the inherited pension fund before their own death, the remaining value can normally be passed to their nominated beneficiaries. This process can continue across generations until the fund is fully withdrawn. The tax treatment will depend on the beneficiary's age at death and the legislation in force at that time.



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Bringing It All Together

A SIPP can provide significant flexibility when passing wealth between generations. By keeping beneficiary nominations up to date and understanding the options available, you can help ensure pension benefits are distributed in accordance with your wishes and as tax-efficiently as possible.

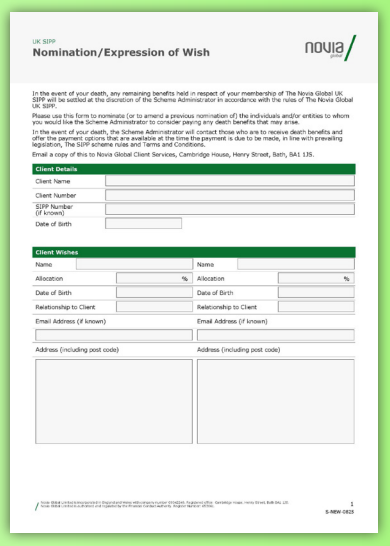
Your financial adviser can explain how the rules apply to your personal circumstances and help ensure your retirement and estate planning objectives remain aligned.

Note: If you or your beneficiaries are resident outside the UK at the time of death, local tax advice should also be sought, as overseas tax rules may apply.

Expression of Wish form

Ensuring your Expression of Wish form is completed and kept up to date can help provide greater clarity for beneficiaries and trustees when it matters most.

The latest Expression of Wish form can be downloaded from our website, or the Literature Library after logging into the Novia Global platform.



UK SIPP

Nomination/Expression of Wish

novia

In the event of your death, any remaining benefits held in respect of your membership of The Novia Global UK SIPP will be settled at the discretion of the Scheme Administrator in accordance with the rules of The Novia Global UK SIPP.

Please use this form to nominate (or to amend a previous nomination of) the individuals and/or entities to whom you would like the Scheme Administrator to consider paying any death benefits that may arise.

In the event of your death, the Scheme Administrator will contact those who are to receive death benefits and offer the payment options that are available at the time the payment is due to be made, in line with prevailing legislation, The SIPP scheme rules and Terms and Conditions.

Email a copy of this to Nova Global Client Services, Cambridge House, Henry Street, Bath, BA1 1JS.

Client Details

Client Name	
Client Number	
SIPP Number (if known)	
Date of Birth	

Client Wishes

Name		Name	
Allocation	%	Allocation	%
Date of Birth		Date of Birth	
Relationship to Client		Relationship to Client	
Email Address (if known)		Email Address (if known)	
Address (including post code)		Address (including post code)	

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QB Partners

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Where local taxation information has been provided, this is based upon a generic understanding of the jurisdiction as a whole. Taxes may vary regionally due to local tax office interpretations, and tax rules may change on a regular basis. This is only a guide, and it is highly recommended that you seek local specialist tax advice. Pension trustees may require specialist tax advice.

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