

**FACT SHEET****DEATH BENEFITS AND  
POOR HEALTH**

While it is the hope that you will enjoy a long and fruitful retirement, it is an unfortunate fact of life that the end in this life, eventually, will come. How your pension will be treated depends on the age at which you pass away.

Due to the nature of your SSAS, the power to distribute your death benefits is at the discretion of the trustees of the scheme on your death. You should have submitted, and kept updated, a 'nomination of beneficiaries' form, by which you make your wishes clear regarding how you wish your benefits to be distributed on your death, and the trustees should take this into account when making their decision. You can use your online account to direct and change where you would like the money to go on your passing.

**How can my death benefits be paid?**

Your death benefits can be paid out either as a lump sum or kept as a designated drawdown arrangement. Taking a lump sum payment removes your fund from the scheme and puts the benefits into the nominated beneficiary's personal estate, which may have inheritance tax implications for them.

**Who can I nominate to receive my benefits?**

You are able to nominate anyone to receive your benefits, and you are able to nominate more than one person, deciding on a percentage for each nominated beneficiary. Any amount awarded to a nominated beneficiary is treated as a separate arrangement, and does not count towards their lifetime allowance. They are also able to nominate a successor, so that when they die, your death benefits can be passed on further, and so on. In this way, your fund can potentially be passed down for generations.

**What if I die before 75?**

Firstly, any uncrystallised funds within your pension are tested against your remaining lifetime allowance, with the excess being subject to a lifetime allowance charge.

**FACT SHEET****DEATH BENEFITS AND  
POOR HEALTH**

Page 2 of 2

Your SSAS can be paid out to your nominated beneficiaries or to your dependents either as a lump sum, or kept within the scheme as a designated drawdown fund for the beneficiary to access when required.

So long as the award is made within two years of your death, no income tax is payable on the amounts taken in either case.

**What if I die after 75?**

Your arrangement can be paid out to your nominated beneficiaries or to your dependents either as a lump sum or kept within the scheme as a designated drawdown fund for the beneficiary to access when required.

If taken as a lump sum, then the amount is subject to income tax at the recipient's marginal rate; similarly, any amounts taken from a drawdown fund would also be subject to income tax at the recipient's marginal rate.

**What about when my beneficiaries die?**

As stated above, the beneficiaries are able to nominate further successors to receive your fund in the event of their death. In this case, the above rules would apply, but it would be the age of the beneficiary when they die that determines the subsequent tax treatment, not the age you died. If the successor nominates a further successor, the tax treatment on that award would be dependent on the age the successor died, and so on.

FACT SHEET

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**What if I fall seriously ill?**

It may be possible to receive your pension benefits before you reach 55 if you have to retire due to ill health. We would need to be provided with a written declaration from a registered medical practitioner to affirm that you have had to retire due to injury, sickness, disease or disability, and we may seek further medical opinion, before a decision can be made.

**Can I convert my SSAS to a family trust?**

Yes you can. It is very popular way to pass the scheme to family and legacy generations, leaving a further permanent reminder of your financial legacy to much later generations. Many use SSAS to pay for university fees of grandchildren or to pay out small lump sum payments on future family births and milestone dates. Our consulting team can organise this for you.