




CURTIS BANKS

Your client has inherited a pension - what next?

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This information is based on our understanding of current legislation, including (but not limited to) FCA, PRA and HMRC regulation. It does not constitute any form of advice. Curtis Banks will take no responsibility for any loss which may occur as a result of reliance on this information.

Learning objectives

By the end of the session, delegates will be able to:

- Identify key factors that may affect a client's death benefits planning
- Understand how beneficiaries may use inherited funds to increase their own pension contributions, and the tax considerations when doing so
- Understand the considerations for someone when deciding whether to access their own pension funds or an inherited plan

Delegates will be able to explain this to a customer in a clear and concise way and be able to apply this knowledge to individual client scenarios

Death benefits checklist

- Is the member's expression of wishes up to date?
- What death benefit options are available from the member's scheme?
 - Are there any restrictions that might affect particular beneficiaries; e.g. residency/age requirements?
- What do the potential beneficiaries want/need?
- Will the death benefits be taxable?
- What is the provider's process for death benefit claims?
- Are the beneficiaries all aware of the plans?
 - If this isn't possible, are there plans for any potential challenges?

Contributing from death benefits



£ £50,000



£ £30,000



£ ?



Contributing from death benefits



£ £50,000

Already contributed
£12,000 gross



Contributing from death benefits



£ £50,000

Contributing from death benefits



Contributing from death benefits



£ £50,000



Contributing from death benefits



£ £30,000

Already contributed
£3,000 gross

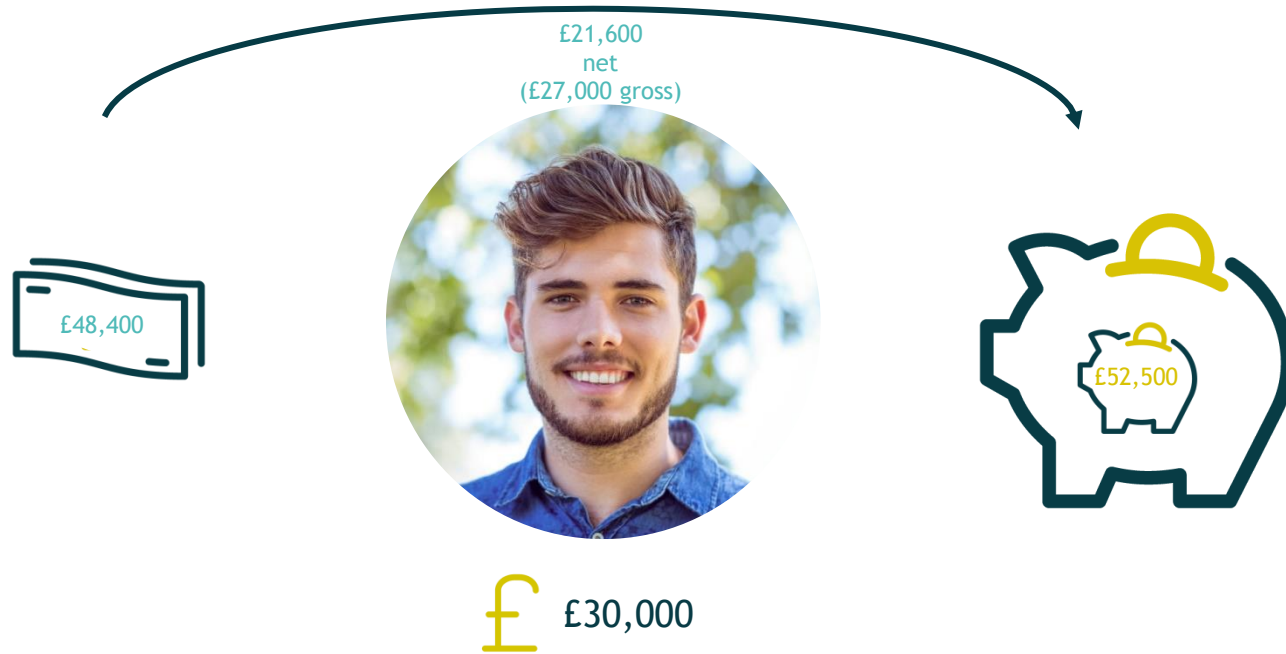


Contributing from death benefits



£ £30,000

Contributing from death benefits



Contributing from death benefits



£ £30,000

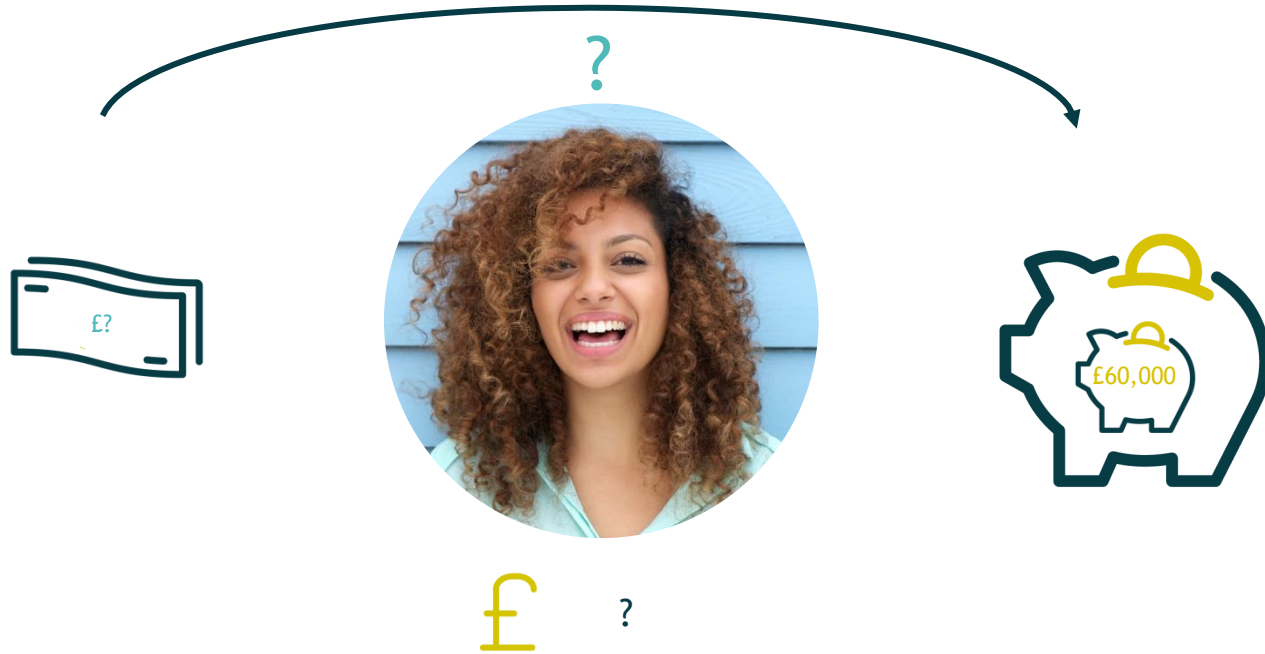


Contributing from death benefits



£ ?

Contributing from death benefits



Contributing from death benefits



£ ?



Contributing from death benefits



Contributing from death benefits



£ ?



Barry Foster, Technical
Sales Manager



Taxable beneficiary pension and salary sacrifice

£10,000 taxable beneficiary pension

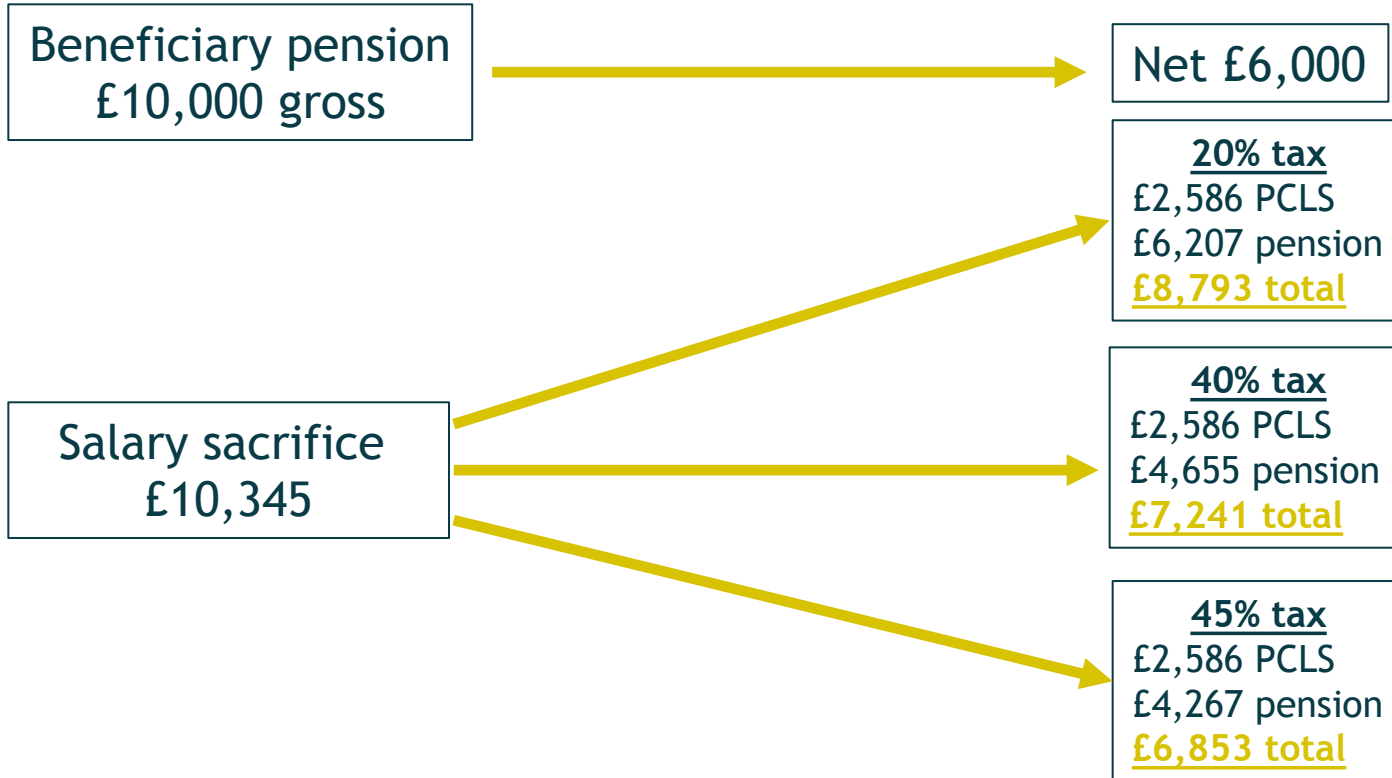
- Taxed @ 40%
- £6,000 net

Salary sacrifice

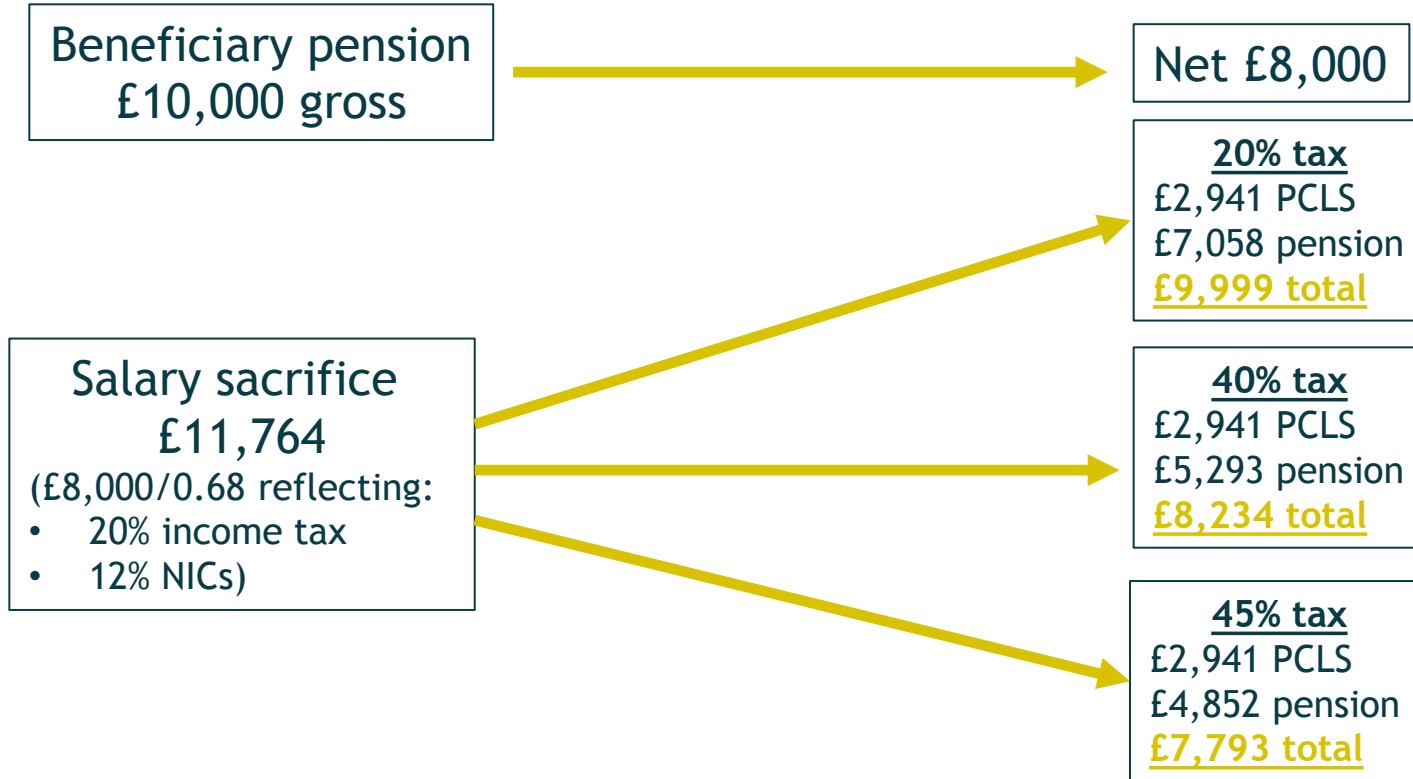
- £6,000 net income
- Net of:
 - 40% income tax +
 - 2% National Insurance
- $£6,000 / 0.58 = £10,345$ gross salary

£10,000 taxable beneficiary pension vs £10,345 salary sacrifice

Beneficiary pension 40% tax payer



Beneficiary pension 20% tax payer



Own funds



Inherited funds



Beneficiary pension planning

	Own pension	Tax free beneficiaries' drawdown	Taxable beneficiaries' drawdown
<u>Income tax:</u>			
PCLS	YES	NO	NO
Income tax	Marginal rate(s)	NIL	Marginal rate(s)
<u>Lifetime Allowance:</u>			
Subject to LTA	YES	NO Not tested against beneficiaries' LTA	NO Not tested against beneficiaries' LTA
<u>Death benefit options:</u>			
Lump sum	YES	YES	YES
Beneficiary pension (dependant/nominee/successor)	YES	YES	YES

QUESTIONS



THANK YOU

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