



MINERVA SIPP DEATH BENEFIT OPTIONS GUIDE

Introduction

Minerva SIPP offers flexibility, choice and control in providing death benefits and the options available on death are explained in this guide. **Please note Minerva SIPP is not an annuity provider.**

If you die before age 75:

- You can nominate your dependants* to receive benefits and they may choose:
 - A lump sum, or
 - Income withdrawals, paid as unsecured pension if they are under 75 and as alternatively secured pension if they are 75 or older, or
 - An annuity purchased on the open market.
- If you nominate a non-dependent to receive the death benefits they will be entitled to a lump sum only.

If you die age 75 or over:

- You can nominate your dependants to receive benefits and they may choose:
 - Income withdrawals, paid as unsecured pension if they are under 75 and as alternatively secured pension if they are 75 or older, or
 - An annuity purchased on the open market.
- Benefits cannot be paid to a non-dependent once you reach 75. If you have no dependents living, a lump sum may be paid to a charity of your choice.

Tax on lump sum benefits:

- If you die before taking any benefits, any lump sum payment must be paid out within two years of your death and will normally be paid tax free, but will be tested against your lifetime allowance. Unless you were claiming enhanced protection at your death, any excess above your lifetime allowance will be subject to a tax charge of 55%.
- If you die before age 75 while taking income withdrawals, any lump sum payment will not be tested against your lifetime allowance, but will be taxed at 35%.
- Provided it is used for 'charitable purposes' within HMRC rules, any lump sum paid to charity on your death after age 75 will not be tested against the lifetime allowance and will not be taxed.

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If you die after buying annuity:

- Any dependant's pension selected will continue for their lifetime.
- If you die soon after buying an annuity, your annuity will continue to be paid for any guaranteed period specified at the time of purchase.
- If you die before age 75 an annuity protection lump sum will be payable, if you have chosen this option.

***Dependants can include the following:**

- Your spouse or civil partner, either at the time you became entitled to receive a pension from your SIPP or at the date of your death.
- Your child provided they are under 23.
- Your child who is aged over 23, but who in the opinion of InvestAcc Limited as scheme administrator, was dependent on you at the date of death, owing to physical or mental impairment.
- A person who is neither your surviving spouse or civil partner nor your child but who, in the opinion of InvestAcc Limited as scheme administrator, was dependent on you at the date of your death.

What to do now:

- In the event of a member's death please write to InvestAcc Limited at the address below.

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