



Emily McAlister &lt;emily@retirement.capital&gt;

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**Fwd: The late Mr and Mrs Mehta/The Romeera Pension Scheme**

1 message

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**Gavin** <gavinm@pensionpractitioner.com>  
To: emily@retirement.capital

27 July 2021 at 18:40

fyi  
Pension PractitionerT: 0800 634 4862  
F: 020 8906 6611Administration Centre: Venture Wales, Pentrebach. Merthyr Tydfil. CF48 4DR  
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----- Forwarded message -----

From: **Gavin** <gavinm@pensionpractitioner.com>  
Date: Tue, 27 Jul 2021 at 17:39  
Subject: Re: The late Mr and Mrs Mehta/The Romeera Pension Scheme  
To: Glenn Hurstfield <glenncharleshurstfield@gmail.com>  
Cc: Meera Mehta <meeramehta22@icloud.com>, Mohame Moghul <msmoghul@kalair.co.uk>Hi Glenn,  
Many thanks for your email and good to hear from you.

I can confirm the following:

1. Am I correct that following the passing of Mr and Mrs Mehta, Meera and her brother Romee are now the principal discretionary beneficiaries of the Pension Fund?

This is correct - it is presently at the discretion of Meera on how payments from the fund should be distributed. Romee is not a trustee.

2. If there are any funds remaining when Meera and Romee have both passed away, are their surviving children also potential beneficiaries?

Yes, this has been minuted and the intention was that on reaching adulthood the assets of the fund are passed to them - this can be tax free within the scheme.

3. As it is unlikely Romee will have any children and Meera's two sons should be well provided for from other resources, the longer term plan would be for any remaining funds to go to the Romeera Charitable Foundation (a UK registered charity) which I understand will avoid any IHT on the fund? Does anything need to be done to facilitate this?

There will be no IHT on the transfer of the fund to the children and there is also no IHT on the transfer to Meera. If the income is paid in future it would be paid at whatever their marginal rate of tax is, but presently the pension fund is free of tax on its income and gains and holds not IHT.

Payments can of course be made to the foundation but Romee was a dependant at the time of death and as such the legislation generally requires that no charity lump sum death benefits can be paid where there are existing dependents who have an interest in the fund. We can look into this more closely if you wish, but the requirement of a

dependant does generally preclude the payment of funds in lump sum for a charity as long as that dependants remains alive, this is because Mr and Mrs Mehta were deemed to be in nil drawdown under the tax rules at the time. As I said, I am happy to look at this in more depth if you and Meera require.

4. Normally withdrawals from the Pension Fund would I believe be taxed at the recipients marginal rate of income tax unless there is any tax free element left in the Pension Fund? In this respect, Mohamed Moghul believes Mr and Mrs Mehta may have drawn down the tax free element during their lifetimes but perhaps you can confirm?

Correct, in order that the tax free element was protected, both payments were made by age 75, otherwise they would have been taxed on these payments.

5. Finally, we think Meera may now be the sole surviving Trustee; should at least one other Trustee be appointed and is there any reason why Romeera Aero Spares Ltd (the current corporate pension administrator) needs to be retained or could this role be undertaken by Meera and any co-Trustees.

I would suggest that we add a trustee alongside Meera as a safe-guard. It was something that was touched on pre-covid and it should be put in place. In respect of Romeera Aerospares, there is no longer any need for this firm to be used and under the regulations, the default scheme administrator in the absence of Romeera is in fact Meera. HMRC have made some changes on the rules in this space, and my suggestion is that the administrator trustee remains as Meera with any new trustee joining - not to be a scheme administrator as otherwise Meera would lose some of the controls she has now. Happy to draw up the paperwork on this, if you can let me have the suggested trustee person and whether that person is to be co-signatory to the bank account and investments (or this to be kept with Meera).

Kind regards  
Gavin

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On Mon, 26 Jul 2021 at 15:05, Glenn Hurstfield <[glenncharleshurstfield@gmail.com](mailto:glenncharleshurstfield@gmail.com)> wrote:

Dear Gavin,

We have not spoken in a while but you may recall I advised Mr and Mrs Mehta for many years in connection with their UK tax and estate planning.

Now that both Mr and Mrs Mehta have passed away (and I am an executor along with their daughter Meera who is copied in here), Meera is considering hew own estate planning, might we seek clarification from you on the following points affecting the Romeera Pension Fund?

1. Am I correct that following the passing of Mr and Mrs Mehta, Meera and her brother Romee are now the principal discretionary beneficiaries of the Pension Fund?
2. If there are any funds remaining when Meera and Romee have both passed away, are their surviving children also potential beneficiaries?
3. As it is unlikely Romee will have any children and Meera's two sons should be well provided for from other resources, the longer term plan would be for any remaining funds to go to the Romeera Charitable Foundation (a UK registered charity) which I understand will avoid any IHT on the fund? Does anything need to be done to facilitate this?
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5. Finally, we think Meera may now be the sole surviving Trustee; should at least one other Trustee be appointed and is there any reason why Romeera Aero Spares Ltd (the current corporate pension administrator) needs to be retained or could this role be undertaken by Meera and any co-Trustees.

Many thanks and best wishes,

Glenn