

The same options are available where a member dies at age 75 or over. However, lump sum payments and pension payments are taxed at the recipient's marginal rate of tax.

If a nominated person receives a pension they can take this pension at any age and the fund passed to them does not count towards their lifetime allowance. When a person who receives a nominated pension dies, then the same options will apply when the trustees consider how these residual funds should be paid. The age at when the nominated person dies will determine whether residual funds are taxed or not.

This scheme holds two properties and it is possible to transfer the properties out of the scheme in specie if a lump sum death benefit is paid. However, it would be possible to leave the properties in the scheme and for those persons who were nominated to receive funds and draw a pension from the fund in the same way that JM draws her widow's pension from the fund now.

SM and GM agreed that drawing a pension from the fund might be the best way to deal with death benefits with rental income received being used to draw a pension for example. Those persons nominated to receive a pension can draw as much or as little as they want, subject to funds being available. If the pension is taxed, because a member died on or after age 75, the nominated person can take account of their own taxation situation when considering the amount of pension they draw from the scheme. TS advised that the only risk with this approach is that current legislation is changed and death benefit payments are not as tax efficient as they currently are.

GM queried what the current fund split was. TS advised that the last fund split carried out during March 2017 when JM's widow's pension was reviewed. The fund split was as follows:

JM (widow's fund)	£360,469
SM	£106,745
GM	£198

Funds are allocated in accordance with contributions paid into the scheme or transfers from other pension arrangements in respect of each member. Growth is allocated in accordance with each member's share of the fund relative to each other. If a member holds 50% of the overall fund value, for example, they will receive 50% of the growth achieved by the scheme.

SM and GM advised that expression of wish forms should be updated and TS advised that he will arrange for new forms to be issued.

Flexible Access Drawdown

JM was currently drawing her widow's pension directly from the fund under a capped drawdown pension where there is a limit set on the maximum pension that can be drawn each year.

JM could draw a maximum pension of £58,395 per annum following the review carried out last year even though she is only drawing a pension of £6,000 per annum. SM queried whether the review of JM's widow pension had to be carried out every year because this meant arranging property valuations each year.