



## **What is an expression of wish for your pension**

An expression of wish for a pension is a document that allows the pension holder to indicate their preferred beneficiaries for any death benefits payable from the pension fund.

Here's a summary of why it's important and what it typically includes:

### **Beneficiary Designation:**

The expression of wish allows the pension holder to specify primary and, if desired, secondary beneficiaries. This can include family members, dependents, or anyone else the member wishes to receive the benefits.

The document may outline the percentage or specific amount of the death benefits that should be allocated to each designated beneficiary.

### **Flexibility and Guidance:**

Members have the flexibility to tailor their expression of wish based on personal considerations. This might include the financial needs of beneficiaries, specific bequests, or considerations for charitable donations.

The guidance provided in the expression of wish assists trustees in understanding the member's intentions, helping them make informed decisions in accordance with the expressed preferences.

## **Avoiding Intestacy:**

In the absence of a valid expression of wish, the pension scheme might rely on statutory rules or default provisions to determine the distribution of benefits. This could result in unintended consequences and might not align with the holders wishes.

## **Adaptability:**

Life events such as marriage, divorce, birth, or death of family members can significantly impact one's preferences for the distribution of pension benefits. An expression of wish can be updated periodically to reflect these changes, ensuring that it remains a relevant and accurate reflection of the holders desires.

## **Quick and Efficient Distribution:**

A clear and up-to-date expression of wish streamlines the process of distributing death benefits. Trustees can follow the holders instructions, facilitating a quicker and more efficient transfer of funds to the designated beneficiaries.

## **Consideration of Tax Implications:**

The expression of wish may include considerations for potential tax implications on the beneficiaries. This could involve structuring the distribution in a tax-efficient manner, helping beneficiaries maximize their entitlements.

## **Privacy and Sensitivity:**

While a will is a public document subject to probate, an expression of wish is typically a private document held by the pension scheme trustees. This ensures that the holders wishes are communicated in a more confidential and sensitive manner.

## **Legal Validity:**

The expression of wish should comply with legal requirements to be considered valid. While it is not a legally binding document, it serves as strong evidence of the holders intentions and is generally respected by trustees.

## **Communication with Beneficiaries:**

In some cases, the pension holders may choose to communicate their intentions directly to beneficiaries or family members to avoid any surprises or confusion after their passing. While not a strict requirement, this can help ensure everyone is aware of the holders wishes.

In summary, an expression of wish for a pension is a dynamic and personal document that allows pension scheme holders to navigate the complexities of beneficiary designations, taxation considerations, and the ever-changing dynamics of life. It plays a crucial role in facilitating the efficient and sensitive distribution of pension benefits according to the holder's preferences. Regular reviews and updates ensure that the document remains a relevant and accurate reflection of the pension holders wishes over time.

## **We can help**

Please call us on **01753 888 211** or email **info@nhllp.com** if you need guidance with any of the issues raised in this Broadcast. We would be happy to help.