

# HSBC Flexible Retirement Account Death Benefits – Expression of Wish

 CIN          

 FRA     

Name

On your death, the remaining funds (“your funds”) in your Flexible Retirement Account will be distributed in accordance with the Scheme rules. You can nominate who you would like to receive benefits in the event of your death. This may be an individual or multiple beneficiaries. Whilst the Trustee is not bound to follow your nomination they will take your wishes into consideration when making a decision on who to distribute your pension to and in what form.

You should complete this form to nominate who you would like to receive benefits. It is important that you keep your nomination up to date.

**Specific nomination(s)**

If you want the Scheme to consider paying benefits to any particular person, charity, trust or organisation, please give their details below and indicate what percentage of your funds you want to go to them.

| Full name of person or body and their address | Relationship to you (if any) | % of fund |
|---|------------------------------|-----------|
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If you want the Scheme to consider paying benefits to another person, charity, trust or organisation if none of those specified above survive you, please give their details below.

| Full name of person or body and their address | Relationship to you (if any) | % of fund |
|---|------------------------------|-----------|
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#### Availability of drawdown

An individual chosen by the Scheme may wish to take drawdown instead of receiving a lump sum, but this may only be possible if they are a dependant, a "nominee" or a "successor". The notes overleaf explain this more fully. To ensure that the option of drawdown is available you agree to the following declaration:

In addition to any specific nominations above, I nominate for the purposes of the relevant tax legislation any individual who is eligible to receive a lump sum on my death, so that the Scheme can offer drawdown to them as an alternative.

Please make a copy of this nomination for your records.

Signature

Print name

Date (DD/MM/YYYY)

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# Notes

## Important information

There are legal and practical difficulties in making payments directly to minors or other vulnerable beneficiaries. However, the Scheme does have power to pay lump sums to parents or guardians of beneficiaries, or to separate trusts for their benefit. If this is relevant to you, you may wish to discuss with your solicitor the setting up of an appropriate trust (if you do not already have one), and you should ensure the Scheme is aware of any such trust.

## Definitions

“beneficiary” here means a person eligible under the Scheme’s rules to receive a lump sum on your death. This includes any person nominated by you in this form plus relatives, dependants and any beneficiary under your will;

“dependant” means your spouse or civil partner, any child of yours under age 23, anyone who is dependent on you due to mental or physical impairment, and anyone (except a child over 23) who is financially dependent on you/with whom you are financially mutually dependent;

“nominee” for drawdown purposes means an individual who is not a dependant and who is nominated by you. The tax legislation also allows the Scheme to nominate an individual, but only if there are no dependants and there is no individual or charity nominated by you;

“successor” for drawdown purposes means an individual who is nominated by a survivor. The tax legislation also allows the Scheme to nominate an individual but only if there is no individual or charity nominated by the survivor.

References to “the Scheme” as a person are to the Operator of the Scheme, HSBC Trust Company (UK) Limited.

## Availability of drawdown

The way that “nominee” and “successor” are defined by tax legislation could stop drawdown being offered to suitable beneficiaries in some situations. For example:

- a member doesn’t make a nomination. He is survived by his spouse and his brother. The spouse is keen for some benefit to be paid to the brother. The Scheme can pay him a lump sum, but cannot offer him drawdown as an alternative, because he was not nominated by the member. The scheme administrator cannot nominate him because there is a dependant;
- an individual nominates his spouse but they subsequently divorce. He is survived by the ex-spouse and their adult children. The Scheme can take account of the divorce and pay lump sums to his adult children, but cannot offer the children drawdown as an alternative, because they were not nominated by the member. The scheme administrator cannot nominate them because the ex-spouse has been nominated by the individual

To avoid such problems without trying to predict all future circumstances, by signing this form you declared that you have nominated all beneficiaries. Doing so does not mean that the Scheme will pay benefits to all of them, nor that it will ignore any more specific wishes you have. It just means that the Scheme will have greater scope to offer drawdown as an alternative to lump sums, particularly where your nomination form becomes out of date.

## Taxation of benefits on death

Payments made to beneficiaries will not normally be subject to inheritance tax.

### If you die before age 75

Benefits can normally be paid out tax free. Tax will normally be payable at the beneficiary’s marginal rate of income tax in the following circumstances:

- if benefits are more than your lifetime allowance, the excess will be taxed if taken as a lump sum
- if benefits are not paid out within two years of us being notified of your death

### If you die after age 75

Any payments will be taxed at the beneficiary’s marginal rate of income tax, or the fund can be paid to a trust as a lump sum less a 45% tax charge.

Where there are no dependants and a charity is nominated as a beneficiary this is paid tax free.

# Accessibility

If you need any of this information in a different format, please let us know. **This includes large print, braille, or audio.** You can speak to us using the live chat on our website, by visiting one of our branches, or by giving us a call.

There are also lots of other options available to help you communicate with us. Some of these are provided by third parties who are responsible for the service. These include a Text Relay Service and a British Sign Language (BSL) Video Relay Service. To find out more please get in touch. You can also visit: [hsbc.co.uk/accessibility](https://www.hsbc.co.uk/accessibility) or: [hsbc.co.uk/contact](https://www.hsbc.co.uk/contact).

## **hsbc.co.uk**

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