

Key Considerations When Planning Pension Death Benefits and Life Policies



What Pension Arrangements Do You Have?

Make a list of workplace pensions, personal pensions, SIPPs and any older pension schemes from previous employment. Different schemes can have different rules about death benefits and eligible beneficiaries.



Have You Completed Beneficiary Nominations?

Check whether you have completed an expression of wish or beneficiary nomination for each pension scheme and when it was last updated. For discretionary schemes, trustees will generally consider your wishes when deciding who should receive benefits, although they are not normally obliged to follow the nomination.



Who Do You Want to Benefit?

Think about whether your current nominations reflect your family circumstances and longer-term intentions. This can be particularly important following marriage, divorce, the birth of children, bereavement or the formation of a new relationship.



What Life Insurance Policies Do You Hold?

Identify any whole-of-life, term assurance or other life policies and establish who owns the policy and who is intended to receive the proceeds.

Where an individual is both the life assured and the policyholder, the proceeds will generally form part of their estate on death unless another legal arrangement applies.



Are Any Policies Already Held in Trust?

If a life policy has been written into trust, locate the trust documentation and check who the trustees and beneficiaries are. Insurance policies are commonly placed into trust for estate-planning reasons and to assist with the distribution of funds following death.

Does Your Will Reflect the Same Objectives?

Consider whether the beneficiaries named in your Will are consistent with your pension nominations, life policies and trust arrangements. These assets may pass under different mechanisms, so updating one document does not automatically change the others.

What Is the Approximate Value of the Benefits?

An estimate of your pension funds, death benefits and insurance cover can help establish how significant they are within your overall estate and whether Inheritance Tax planning requires closer consideration.

Have You Considered the April 2027 Pension Changes?

For deaths on or after 6 April 2027, most unused pension funds and pension death benefits will be included when assessing an estate for Inheritance Tax. If pension wealth forms a significant part of your overall financial position, it is sensible to review your estate plan before the new rules take effect.

When Were Your Arrangements Last Reviewed?

Estate planning should evolve as your circumstances change. Pension nominations, life policies and trust arrangements should be reviewed alongside your Will rather than being left unchanged for many years.



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