

Bereavement Process

In the event of a member passing away before they have had the chance to claim their retirement savings.



Initial contact with Smart Pension

Employer or member's next of kin can contact Smart either by telephone on **0333 666 2626** or by emailing pensionclaims@smartpension.co.uk to notify Smart Pension of the passing of the member.

Information that we will need



Name of the member



Address



Date of birth



NINO



Date of Death



Address of member



Full Name of
Next of Kin



Contact Email address
and telephone number



Smart Pension ID
number (If known)

What happens next

Our bereavement claims team will identify the member from the information provided and ascertain if all outstanding contributions due for the member have been received and invested. If not, the team will make contact with the employer to request that any outstanding contributions are paid as quickly as they can be so that we can begin the process of disinvesting the funds.

Our records will be amended to show that the member has sadly passed away and any login functionality will be disabled. This is to protect the member's record.

Once all funds have been received and invested the funds will be disinvested ready to make any claim payment.

In the meantime our bereavement claims team will make contact with the deceased member's next of kin and send them a Bereavement Claim form to complete.

The bereavement claim form asks for the following information:

- Information about the deceased member
- Information about funeral costs and whether these need to be reimbursed
- Information about the deceased's relationship status
- Information about the deceased's children, adopted or stepchildren or anyone else that may have been financially dependent on the deceased member
- Information about the person completing the form
- Information about potential beneficiaries
- Any other useful information that may need to be considered in relation to the claim
- Details of sending the form back to us
- Declaration of the person completing the form

The completed application form will need to be sent back to Smart Pension with:

- A copy of the death certificate
- A copy of the member's will (if there is one)
- A copy of the Grant of Probate or Letter of Administration (if in place)
- A copy of the funeral invoice and bank statement (if reimbursement is required)
- If a potential beneficiary is under 18 years of age we will need evidence of who their legal guardian is

These documents can be sent by email if preferable.



Referral to Trustees for decision of beneficiary

Once the completed application form and supporting documentation have been returned this will then be referred to our trustees to make a decision on who the correct beneficiary or beneficiaries will be.



Notification of Trustee decision to the beneficiary

All beneficiaries will be notified and be sent a claim payment form to complete.

This form will ask for details of the bank account that payment is to be made to and also Identification and Verification (ID&V) documentation for the beneficiary to ensure we are making payment to the correct person.



Payment of the claim

Once we receive the payment claim form we will arrange for the funds to be paid to the beneficiary via the trustee bank account.

The payment will be subject to tax if the deceased member was over age 75 at the date of death or if the payment of funds is more than 2 years after we were first notified that the member had passed away.



Confirmation of Payment to the beneficiary

A confirmation email will be issued to the beneficiary with details of the payment amount, any tax that might have been deducted and also a Relevant Benefit Crystallisation Certificate (RBCE).

- From 6 April 2024, the total amount of tax-free sums that can be received across all pension savings during a lifetime is limited to £268,275 - this is called the lump sum allowance (LSA). This limit applies unless there is a protected right to a higher lump sum allowance.
- There is a limit on the tax-free amount that can be paid to a personal representative/beneficiary in the event of a death claim. This is called the lump sum and death benefit allowance (LSDBA) and the current limit that can be paid free of tax across all pension schemes is £1,073,100.
- Any tax-free payments made to the deceased during their lifetime would have been accessed against the LSA and will reduce the LSDBA available.
- In the future, if it transpires that this payment has exceeded the LSDBA, the beneficiary will need to pay any further tax due directly to HMRC.

Member has transferred away from SPMT and passed away before they had a chance to claim their retirement savings

- This would no longer be the responsibility of SPMT as the retirement savings have been transferred to a different provider and that new provider would therefore take responsibility for making any bereavement claim payments.

Member has claimed their retirement savings and has passed away after the retirement savings were claimed

- If the member chose to take their retirement savings as either a Small Fund Commutation (SFC) or as an Uncrystallised Funds Pension Lump Sum (UFPLS) these would have exhausted any funds that were held with Smart Pension and there would be no further funds to be paid as a Bereavement Claim.
- If the member chose to transfer their funds to another provider to take their retirement savings as maybe an income drawdown this would then be the responsibility of the new provider to check whether any funds remained or whether all funds had been claimed by the member prior to them passing.
- If the member chose to take tax-free cash with Smart Pension and then use the remaining funds to purchase an annuity then this would be the responsibility of the annuity provider to check whether the member was still in any guarantee period and therefore any remaining unpaid annuity payments could then be claimed by a potential beneficiary. If a member passed away after the guarantee period had finished there would be no further funds available to be paid out as a Bereavement Claim.

Member has transferred their retirement savings from Smart Pension and joined Smart Retire and then passed away

- Contact the Smart Retire team directly - **0330 174 0643** or by email smartretirequeries@smartpension.co.uk.
- The Smart Retire Team would be responsible for checking whether any funds still remained unclaimed in the Smart Retire account. If so, this would be treated as a Bereavement Claim and any unclaimed funds would be paid out to any potential beneficiaries as per the scenario for when a member was still part of the Smart Pension Master Trust and had not yet claimed their funds. It would be at the discretion of the trustees as to who would receive any balance of these funds.
- It should also be noted that if the member is over age 75 when death occurs any funds remaining would be subject to tax when making a bereavement Claim
- If all savings under Smart Retire had been exhausted by the time the member passes away there would be no Bereavement Payment claim due