

EXPRESSION OF WISH FORM

(This form is for use by Members. It may also be used by dependants in "income withdrawal")

Non-Protected Rights Funds

On your death your remaining Individual Funds ("your funds") will be applied in accordance with the rules of the Scheme to provide lump sum and/or pension death benefits. Within the overall limits of the tax legislation, the rules give wide discretion over the exact form of benefits, and the recipients.

If you want the Scheme to consider paying benefits to one or more persons in particular, you should read the general notes at the end of this form, then give details of the persons in the table below and (where you specify more than one person) indicate what percentage of your funds you want to benefit them.

| Name and Address | Any relationship to you | % of Fund |
|------------------|-------------------------|-----------|
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Protected Rights Funds

If any part of your funds represents "Protected Rights", you should read the Protected Rights notes at the end of this form then use the table below to direct separately how you want those funds to be paid.

| Name and address | Any relationship to you | % of Protected Rights Fund |
|------------------|-------------------------|----------------------------|
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Finally, please sign and date the form below, make a copy for your own records and return the original to Wensley Mackay Ltd, 12 Market Place, Cockermouth CA13 9NQ

Signed Name

Date

General Notes

(a) What benefits can be paid, and to whom?

- a lump sum can be paid to a wide range of persons including relatives, dependants, beneficiaries of your estate and (most relevant here) any person nominated by you;
- a pension can only be paid to a dependant (which includes a spouse / civil partner / child under age 23, as well as anyone who is dependent on you due to their mental or physical impairment, or who is financially dependent on you, or with whom you are financially mutually dependent);
- on death before age 75, both lump sums and pensions can be paid. Lump sums are currently free of tax if paid out of "uncrystallised" funds (and within the Member's unused Lifetime Allowance) but are subject to a free-standing 35% tax charge if paid out of "crystallised funds" (which normally means funds being used for income withdrawal), while pensions will be taxed as income in the hands of the recipient;
- on death at or after age 75 in "Alternatively Secured Pension", as a result of moves by HM Treasury to reduce the attractiveness of taking such a pension, the only benefits which are "authorised" by the tax legislation are:
 - a lump sum to a charity nominated by you or (if you don't nominate any) selected by the scheme administrator;
 - pensions for dependants.

However, the rules of the Scheme also allow the Scheme to pay lump sums to the same wide range of beneficiaries as on death before 75. The difference is that any such payment is not "authorised" by the tax legislation and thus will incur much greater cumulative rates of tax.

(b) Where you specify a person who could qualify for either a lump sum or pension, you don't need to express any preference for which they should receive. The Trustees can either decide this or let the relevant person decide.

(c) You may change or withdraw your expression of wishes at any time by notice in writing (to the same person as this form is to be sent to).

(d) There are legal and practical difficulties in making payment to dependants under the age of 18. If you wish to provide for minors as potential beneficiaries, you are advised to set up an appropriate trust with your solicitor, if you do not already have one, and provide the relevant details in the form above. In the absence of such a trust, death benefits may be paid to your personal representatives.

(e) If there is any further information which you think may help, please provide it on a separate sheet.

When reading these notes, please bear in mind that:

- References to tax do not include Inheritance Tax. Currently most lump sum payments on death before age 75 are free of Inheritance Tax, because the recipient(s) are chosen by someone other than the Member (this is the main reason why this form is an "expression of wishes" rather than a binding instruction);
- you can nominate charities and other organisations, not just individuals;
- the notes are intended to be a short and easily understood summary of the rules of the Scheme and very complex tax legislation as at the date of publication. They do not override those rules or legislation and are not a substitute for specific legal advice. The rules and legislation are subject to change in the future.

Protected Rights Notes

There are differences in the legislation and rules governing Protected Rights funds and these make it especially important that you ensure:

- your nomination is kept up to date; and
- if more than one person is nominated, the specified percentages add up to 100*.
(* if they do not, then the nomination will be treated as if the percentages actually specified were increased pro rata to total 100).

The differences in how Protected Rights funds are dealt with on your death are as follows:

- if you are survived by a qualifying spouse or civil partner, he/she is entitled to a pension from the Protected Rights funds;
- if there is no qualifying spouse or civil partner the Protected Rights funds must be paid out as a lump sum in accordance with your directions, i.e. **your directions are binding**. If you do not give any directions, or they can not be followed, the funds will be paid to your Estate.

Please also note that, because you have more control over who is to benefit, the Protected Rights funds carry a greater risk of being treated as part of your Estate for Inheritance Tax purposes, i.e. there is a greater risk of IHT being payable. This is laid down in the legislation and is not within the control of the Operator/ Trustees

Updated April 2009
