

Moving Unused Pension Funds Into an Asset Preservation Trust





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This guide explains how unused pension funds can be directed through an Asset Preservation Trust (APT) pre- and post-April 2027 pension changes and pre- and post-client age of 75.

To help your understanding, and ability to frame your advice to clients, we have included several pages below:

The pages show how pension death benefits should be directed depending on whether the client is married or single, whether they die before or after age 75, and whether death occurs before or after 5 April 2027.

The pages also include decision trees that map these scenarios visually, helping advisers explain the most tax-efficient route for each circumstance.



Reminder: post April 2027 pension changes following the 2024 Budget:

Post-April 2027, pension death-benefit planning changes so that, for married or civil-partnered clients, benefits will generally need to pass to the surviving spouse first rather than directly to an APT to avoid creating an inheritance-tax charge on first death.

The APT is then typically used only on second death, meaning advisers must plan for more sequencing and ensure nomination structures and Letters of Wishes reflect this increased need for flexibility.

Please note: **we have now updated the Letter of Wishes in our APTs** to provide the flexibility clients' need to navigate legislative changes and to allow pension death benefits to be passed on in the most tax efficient way.

The age of 75 matters because the tax treatment of pension death benefits changes at that point, which determines whether it is more efficient for funds to pass to an APT, a spouse or directly to children.

Pension Death Benefit Nomination Structure – For Married Couples / Civil Partners

On Death – Before Age 75



Before Age 75



Before 5 April 2027



Paid to The Trustees

If I die **before** 5 April 2027 and **before** attaining the age of 75 it is my wish that any lump sum death benefit from my pension is paid to the **Trustees**.



Before Age 75



After 5 April 2027



Surviving Spouse



Paid to Spouse

If I die **after** 5 April 2027 and my spouse has **survived** me, then I would ask that my pension death benefits are transferred to my **spouse**.



Before Age 75



After 5 April 2027



Predeceased Spouse



Paid to The Trustees

If my **spouse** has **predeceased** me, it is my wish that any lump sum death benefit from my pension is paid to the **Trustees**.

On Death – After Age 75



After Age 75



Not Date Specific



Surviving Spouse



Paid to Spouse

If I die **after the age of 75**, I would ask that my death benefits are transferred to my **spouse**.



After Age 75



Not Date Specific



Predeceased Spouse



Paid to Children Equally

If my spouse has **predeceased** me, then to my children **equally**.

Pension Death Benefit Nomination Structure – For Single Persons

On Death



Before Age
75



Paid to The
Trustees

If I die **before** attaining the **age of 75**, it is my wish that any lump sum death benefit from my pension is paid to **the Trustees**.



After Age 75



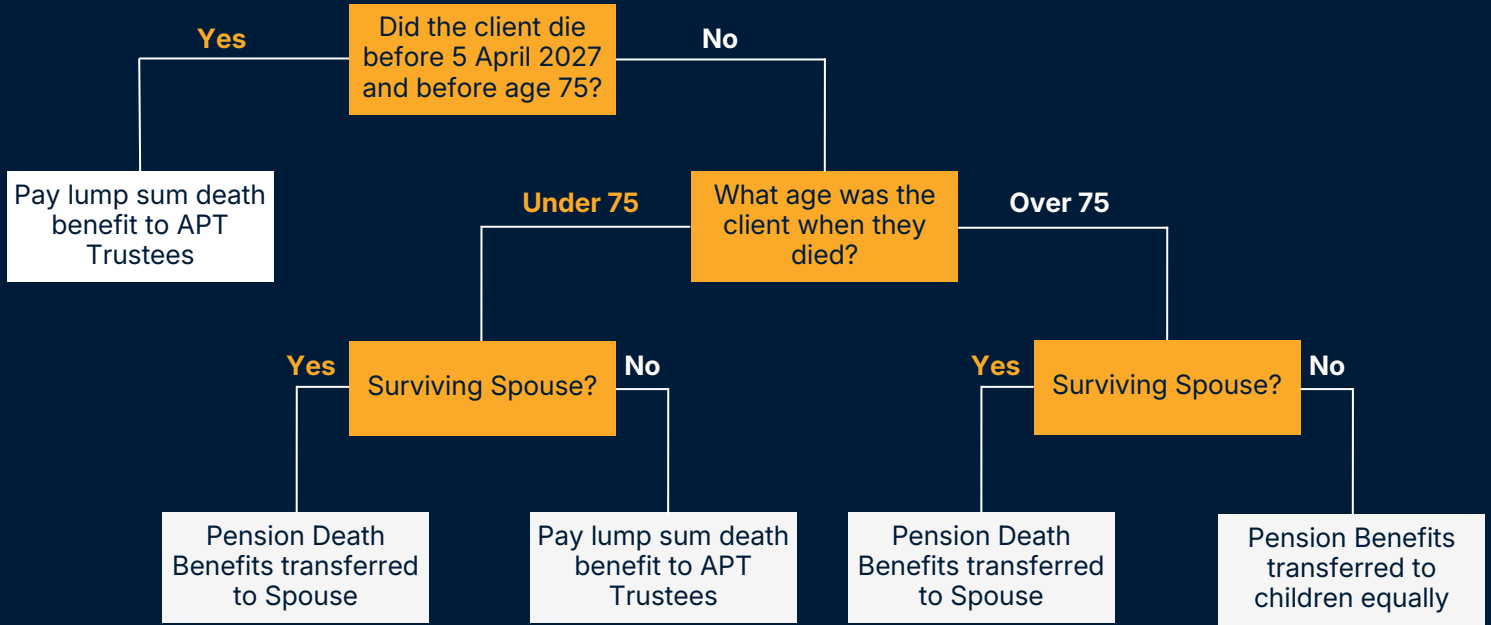
Paid to
Children
Equally

If I die **after** the **age of 75**, I would ask that my death benefits are transferred to **my children equally**.



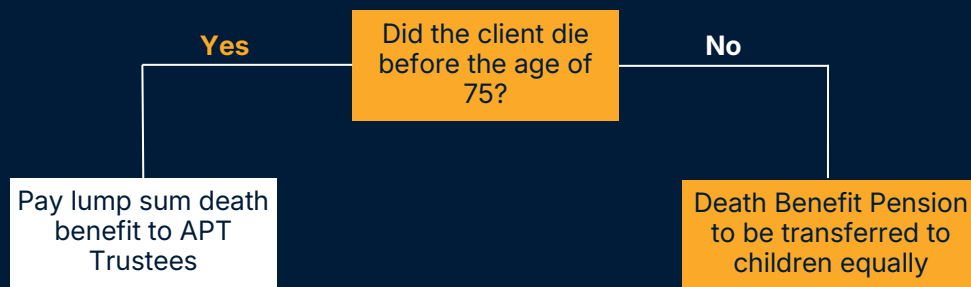
Pension Death Benefit Nomination Structure

For Married Couples / Civil Partners



Pension Death Benefit Nomination Structure

For Single Persons



With some providers you could be asked to provide a percentage split of any pension lump sum. If required, you could consider the following, for example nominating 98% for the Asset Preservation Trust and 1% for each child.