# **Protected Retirement Plan**

## **Death Benefits Guide - Trustee Version**

## **Overview**

# The LV= Protected Retirement Plan (PRP) can be set up in two ways:

- As an investment by the Trustees of another registered pension scheme, or
- 2 Directly by an individual (a 'customer').

This document details death and survivor benefits available if the policy is set up as an investment of another registered pension scheme ('Trustees' Version'). Any death benefits will be paid to the Trustees of the underlying scheme.

Whether your clients are the Trustees of a registered pension scheme or individuals, it's important for them to consider death benefit options when they set up their plan.

# The plan will stop on the member's death with nothing further being payable, unless a death benefit option is included at outset.

Details of the available death benefits, together with information showing how and when they become payable, are explained in this quide.

The guide should be read in conjunction with the Key Features and the Plan Conditions documents.

Separate documents are available for the 'Trustees' Version' and 'Customer Version' of the plan.

#### Please note:

All references to taxation contained within this guide are based on our understanding of current legislation and HM Revenue & Customs practice, which can change.

#### Death benefit options available

At the outset of the plan it's possible to choose from one of the following options:

- No death benefit
- Plan protection
- Value protection

Beneficiary's income or Guarantee options are not available for the Trustees' version

#### Options at a glance

The following table provides more detail of the death benefit options available that can be chosen at outset:

#### Please note:

It's not possible to have both plan protection and value protection on the same plan.

Value protection	Plan protection
Value protection provides the option to protect up to 100% of the amount used to purchase the PRP if the member dies before the plan ends.	Plan protection provides the option to protect 100% of the PRP investment if the member dies before the plan ends.





## Death of a member

The following flowcharts show what would become payable and when depending on which death benefits have been included in a Protected Retirement Plan.

# Flowchart 1: Plan protection only selected

Trustees of a registered pensions scheme set up a PRP as an earmarked investment

Income and Guaranteed Maturity
Value (GMV) protected by plan
protection selected at ouset



The registered pension scheme member dies before the PRP maturity date



PRP continues to be paid to trustees as before under plan protection.

Beneficiary of plan protection is chosen by the Trustees of the registered pension scheme in accordance with the scheme's rules

If the chosen beneficiary is not becoming a member of the scheme or does not want to continue the PRP, Trustees can exercise the conversion option

Alternatively, PRP can be transferred to a new pension scheme in-specie

The Trustees are liable for any tax due when paying

## Flowchart 2: Value protection only selected

Trustees of a registered pensions scheme set up a PRP as an earmarked investment

Value protection selected at outset



The registered pension scheme member dies before the PRP maturity date



Value protection (selected proportion (up to 100%) of initial investment, less gross amount of income withdrawn) paid to the Trustees of the registered pension scheme

Death benefits paid by the Trustees of the registered pension scheme in accordance with the scheme's rules

The Trustees are liable for any tax due when paying our death benefits

#### Flowchart 3: No death benefit selected

Trustees of a registered pensions scheme set up a PRP as an earmarked investment

No death benefit selected at outset



The registered pension scheme member dies before the PRP maturity date



No death benefits payable under the PRP

For more information, call the LV= Retirement Desk



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For Textphone dial 18001 first.

If you'd like us to send you this document or any future correspondence in another format, such as Braille or large print, please just let us know.

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