

PROBATE

PAYOUT PLANNER

The easy way to bypass probate.

Probate can take up to 11 months*. Just imagine a grieving family having to wait that long for a life insurance payout. Or, even worse, losing the money under intestacy rules.

Thankfully, there's an easy way to bypass probate and intestacy rules without the need to set up a trust. It's called Payout Planner.

Source: *UK Parliament, Justice Committee launches new inquiry into probate amid concerns over delays and consumer protection, November 2023.

PAYOUT PLANNER. WHAT'S THE BIG IDEA?

Payout Planner lets clients nominate up to 9 beneficiaries when applying. If Payout Planner has been used and the policyholder dies, the money is payable to the beneficiaries under contract law.

This means any payout doesn't form part of the policyholder's estate and isn't subject to inheritance tax (IHT), so payouts bypass probate and go directly to the most recently nominated beneficiaries.



IT'S EASIER

Just enter the names of the beneficiaries and their payout allocation during the application.



IT'S FASTER

Any payout bypasses probate which can often cause long delays.



IT'S BETTER

The money goes straight to the policyholder's loved ones when they need it most.

KEY POINTS TO NOTE

Contract law

Beneficiaries must be nominated at the point of application so the money is payable to the beneficiaries under contract law.

Setting up a trust

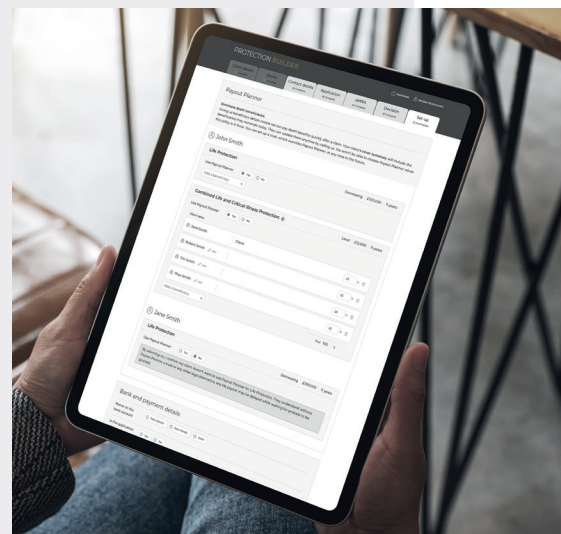
Any trust set up in the future will supersede Payout Planner. So you can still use Payout Planner even if you plan to set up a trust later.

Changing beneficiaries

Policyholders can change beneficiaries or their shares simply by calling or emailing us.

Terminal Illness payouts

Terminal Illness payouts are kept outside Payout Planner and will be paid to the policyholder.



THE KEY QUESTIONS, ANSWERED

WHO CAN CLIENTS NOMINATE AS A BENEFICIARY?

- Clients can nominate people, or organisations such as a charity.
- Clients can't nominate themselves, their estate, a trust they (or their estate) benefit from or their creditors.
- Clients can't receive any money or benefit from a nominee in exchange for a nomination.
- If clients have applied for mortgage protection, they can't nominate the mortgage lender, but they can nominate the person who would be responsible for taking over the mortgage payments. In the case of a joint mortgage, this would normally be the other party to the mortgage.
- If your client has applied for more than one type of cover, they can choose separate beneficiaries for each payout.

WHAT HAPPENS IF THERE IS A CLAIM?

- If any of the current beneficiaries are children under 18, we'll pay each child's share to their parent or guardian. The parent or guardian is responsible for making sure any cover amount paid to them is held until each child becomes an adult (this is usually achieved by setting up a trustee bank or savings account for each child) or used for the child's benefit.
- If any of the beneficiaries have died, we'll pay their share to their estate, so it's best if your client changes their nomination to avoid delays or an unintended result.
- If the policy has subsequently been put in trust, this will take precedence over the Payout Planner, and we'll pay in line with the trust or pay under the trust.

HOW DO CLIENTS CHANGE THEIR BENEFICIARIES?

Clients can change their beneficiaries anytime by contacting us by email or phone. Once they've confirmed their identity and any change to the beneficiaries or their allocation entitlements, we'll update our system and issue a new cover summary to their MyGuardian account.

HOW OFTEN SHOULD CLIENTS REVIEW THEIR PAYOUT PLAN?

We recommend clients review their beneficiaries every year to make sure their choice is still appropriate and details are up to date. They can see who they've nominated on their cover summary in their MyGuardian account.

IS PAYOUT PLANNER AN ALTERNATIVE TO A TRUST?

Payout Planner is suitable for clients with simple affairs who don't need to set up a trust as part of their application. For those with complex estates or particular inheritance tax planning needs, a trust may be more suitable.

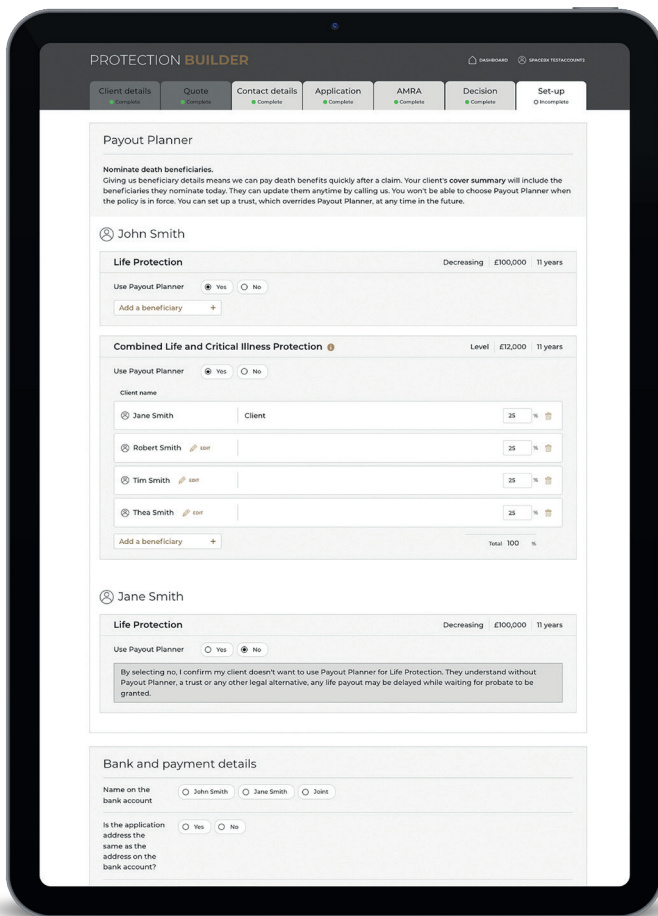
CAN YOU USE PAYOUT PLANNER WITH ALL GUARDIAN'S LIFE COVERS?

Yes, Payout Planner can be set up for Life Protection, Life Essentials and the life element of Combined Life and Critical Illness Protection. Client's can choose different beneficiaries for each cover.

WHERE TO FIND PAYOUT PLANNER

You'll find Payout Planner at the set-up stage of our quote and apply journey.

And remember, whilst beneficiaries can be changed at a later date, Payout Planner must be set up at the point of application.



SETTING UP PAYOUT PLANNER

Step 1

You can use Payout Planner by clicking 'yes' under any life covers on the application, in the Set-up tab.

Step 2

To nominate a beneficiary, click 'Add a beneficiary' in the relevant cover box and enter their details and the % of any payout they should receive.

Step 3

To nominate further beneficiaries, click 'New beneficiary' and enter their details. All % allocations must add up to 100%.

Find out more at:
adviser.guardian1821.co.uk



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