Death in Service Schemes – Key Considerations

1. Who Will Act as Trustee?

To ensure benefits are paid quickly and tax-efficiently, it's standard practice to hold the scheme in trust. This keeps the benefit outside the employee's estate and can avoid inheritance tax. Appointing an independent trustee brings neutrality, compliance expertise, and professionalism to both day-to-day governance and claims processing.

2. Who is Covered – and When?

Eligibility should be clearly defined in scheme documentation. This might include all full-time employees after a set probation period. Clear, consistent eligibility rules help avoid disputes and ensure fairness across the workforce.

3. Who Receives the Benefit?

Employees typically complete a nomination form, naming the individuals they wish to receive the lump sum. However, the final decision legally rests with the trustee, who must assess each case in line with Revenue rules and act in a fair and balanced way.

4. What About Employment Changes?

Coverage during events like unpaid leave, career breaks, or contract changes should be carefully addressed. Employers must regularly update records and communicate any changes to employees.

5. Are Records and Nominations Up to Date?

It's surprisingly common for nomination forms to be missing, outdated, or stored poorly. This can delay payments and create avoidable stress for bereaved families. Regularly reviewing and updating these records is a simple but essential step in scheme maintenance.

A Word on Claims

The true value of a DIS scheme is revealed at the point of claim. When a tragic event occurs, speed, clarity, and compassion are essential. Trustees must be able to quickly confirm eligibility, assess the nomination, and arrange payment with professionalism and empathy. Having robust governance processes in place ensures that the scheme delivers when it matters most - and that the employer's commitment to its people is honoured in a meaningful way.

For further information:
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Independent Trustee Limited is authorised by the Minister of Justice to carry on business as a Trust or Company Service Provider (TCSP) in accordance with the Criminal Justice Act, 2010 and is a Trust Corporation pursuant to the Succession Act, 1965.

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ITL Independent Trustee