



# How to add a nominee in mutual funds online

When you hear the word nominations, the first thing that comes to your mind is award functions. But did you know there are nominations in the world of mutual funds too? It can help you appoint nominees for your mutual fund investments. Earlier, it was mandatory to appoint at least one nominee for your mutual fund investments. However, now you can choose not to appoint any nominee by signing a declaration form.

What are nominations? Who is a nominee? Why are nominees important? How to add a nominee in mutual funds online? Let's find out.

## And the nominations in mutual funds are...

You invest your hard-earned money for yourself and your family's well-being. As long as you live, you can ensure that you all reap the benefits of your investments. But what happens when you are not around? Who will ensure that your family continues to benefit from your investments? This is when nomination comes into the picture.

A mutual fund nomination allows you to choose a person or an entity that will take charge of your investments after your demise. When you appoint a nominee, you ensure that the people or causes close to your heart benefit from your investments.

It is common to appoint a spouse or a child as a nominee. However, with mutual funds, you can even nominate a friend or an acquaintance. Your nominee can be a minor, an NRI, a local authority, the central government, the state government, or a charitable organisation.

Most Asset Management Companies (AMCs) allow you to add up to three nominees in one [mutual fund folio](#) and specify the % share of each. In the absence of any specification, your mutual fund units will be equally distributed between the nominees.

**Wondering if you should be adding a nominee to your mutual fund investment? Read this:**

## Benefits of having a nominee

Before we look at how to add nominee in mutual funds online, let us understand the benefits of having a nominee. Why should you consider mutual fund nominee update? Suppose you have invested a large portion of your savings in mutual funds, with the aim of enjoying a happy and stress-free retirement period with your family. Now, you should consider how to add nominee in mutual funds because you do not want your savings and investments to remain in limbo post your passing. As we all know,

uncertainty about death is one of the most painful facets of life but we cannot avoid it under any circumstances. If you figure out how to add nominee in mutual funds and complete your mutual fund nominee update, you can rest assured that, after your passing, your hard-earned wealth will transfer to the right person. And this would be a great relief to you, since you will not have to fret about such thoughts at the end of your journey. Further, you will also have created a safety net for your loved one, after your passing, thus ensuring some semblance of peace in the time of turmoil.

1. It ensures that your family enjoys the many [advantages of mutual funds](#) that you have started.
2. The flexibility of appointing up to three nominees minimises the chances of future disputes among family members.
3. In the absence of a nomination, your family will need several documents to claim your investments. This can be time-consuming as well as burdensome.
4. You can live peacefully knowing that you have secured your family's well-being.

**How to add a nominee in mutual funds online?**

You can either add a nominee at the time of [investing in mutual funds](#) or you can do it to your existing investments. In the first case, you must add relevant details such as the name, date of birth and address of the nominee under the nominee section in the application form. If you want to add a nominee to an existing investment, you must fill up and submit the nomination form prescribed by the AMC.

You have the flexibility to change your nominee at any time and any number of times. But the nomination form must be hand-signed by you every time. In the case of joint holding, all joint holders must sign the nomination form.

**To sum it up**

Nomination is a legal way of ensuring that your investments are rightly transferred to your loved ones in your absence. Although it is not mandatory to nominate someone while investing in mutual funds, doing so brings several benefits including peace of mind.

So now that you have a clear idea about how to add nominee in mutual funds online, and understand the manifold benefits of doing so, this is the right time to decide upon the right person to take your mutual fund legacy forward. You can choose from your family members and bestow upon them the gift of your goodwill and hard work, thus enabling them to have a positive life in the event of your demise.