STAFFORDSHIRE COUNTY PENSION FUND

LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 1997
Regulation 38: Payment of lump sum death grant
Deferred and pensioner members

NOMINATION OF BENEFICIARY FOR LUMP SUM DEATH GRANT

On the death of a deferred or pensioner member of the LGPS 1997 (i.e. the Local Government Pension Scheme as set out in the Local Government Pension Scheme Regulations 1997), a range of benefits are available. The member's legal spouse would be entitled to a widow or widower's pension, a surviving civil partner would be entitled to a civil partner's pension, and any eligible children would be entitled to children's pensions.

In addition, there is entitlement to a **lump sum death grant**.

If you are a deferred member (i.e. a person who left the LGPS 1997 with entitlement to benefits but not currently eligible for payment of them) the death grant is equivalent to the deferred lump sum retirement grant.

If you are a pensioner member below age 75 who retired after 31 March 1998 and before 1 April 2008, the death grant is equivalent to five times the annual pension, reduced by the amount of pension already received.

Staffordshire County Council, as the administering authority for the Staffordshire County Pension Fund, have absolute discretion in deciding who should be the recipient(s) of the death grant.

The County Council would normally make the payments to the legal personal representatives of the deceased. In other words, they would request sight of the Grant of Probate (if a valid will is in existence) or Letters of Administration (if there is no valid will) and pay the death grant to the legal personal representatives as named in those documents. They would, in effect, be making the payment to persons approved in law to act for the deceased in the distribution of his or her money and other assets, etc. This has the disadvantage that payment by the County Council may be delayed pending receipt of Grant of Probate or Letters of Administration.

However, under Regulation 38 of the Local Government Pension Scheme Regulations 1997, the County Council are allowed to consider other possible recipients of the death grant, e.g. a person appearing to have been a relative or dependant of the deceased, or a person nominated by the deceased. The County Council have complete discretion in this matter but would be inclined to take account of a nomination in accordance with their own policy guidelines.

Because the County Council as "trustees" of the pension scheme are free to decide the recipient of the death grant, the sum paid would not be part of the deceased's estate, even if they decide to pay it to the personal representatives, and so would not be subject to inheritance tax. (There are, however, other tax rules which may require a tax charge on the death grant if it exceeds certain limits but this would normally apply only in the case of high earners and is not related to inheritance tax.)

Current County Council policy in respect of the payment of death grants is enclosed with this leaflet and should be read carefully before a nomination is made. Please also read the notes of guidance overleaf. If you then wish to proceed, your nomination can be made on the third and fourth pages of the leaflet.

MAKING A NOMINATION

Who can make a nomination?
Anyone who is currently a member of the Local Government Pension Scheme, or a former member with entitlement to deferred benefits, or a former member in receipt of pension. Pensioners should remember, however, that their death grant entitlement is reduced by the total of pension paid and so unless death occurs shortly after retirement the sum payable, if any, may be quite small. Under tax rules, a death grant cannot be paid in respect of anyone aged 75 or over at date of death.

Who can be nominated?
The nominee can be any person. If you choose more than one nominee you must specify what percentage of the death grant you would wish each nominee to receive. For example, if you have a spouse and two children you could, if you wished, nominate your spouse to receive, say, 50% of the death grant and each child to receive 25%. (Please note: County Council policy will not normally allow payment to children below age 18.)

Do I have to make a nomination?
No. There is no need to make a nomination if you do not wish to do so.

Who will receive the death grant if I do not?
Staffordshire County Council have absolute discretion as to who should receive the death grant even if a nomination has been made. In the absence of a nomination, however, the most likely recipients of the death grant will be the legal personal representatives of the deceased as named in the Grant of Probate or Letters of Administration. This ensures security of the payment and, if the deceased had made a will, should mean that the grant is allocated in accordance with his/her wishes.

Are there any advantages to nomination then?
Although the County Council would have to give careful consideration as to whom the payment should be made, if they choose to pay the nominee, this may be a quicker process than waiting for Grant of Probate. It is always advisable to make a will, but a nomination would be a simple indication of your wishes.

Can I nominate a recipient of any benefits other than the death grant?
No. There is no provision under the Local Government Pension Scheme Regulations 1997 for widow(er)'s benefits to be paid to anyone other than a legal spouse, civil partner's benefits to be paid to anyone other than a person with whom the member has formed a civil partnership, or a child's pension to be paid to anyone other than an eligible child.

Must the County Council comply with my nomination?
No, they are not bound in any way to have regard to a nomination and they have total discretion as to the recipient(s) of the death grant and the proportions payable. A nomination form will, however, give an indication of your wishes should the County Council decide to take them into account.

Can I withdraw a nomination or submit a new nomination?
Yes. If you make a nomination it is most important that you should remember that you have done so in case any of the details need to be revised – see points to remember below. If you want to change a nomination you must submit a fresh nomination form which revokes your earlier nomination. If you want to revoke a nomination and not make a fresh one, you must tell the County Council in writing.

POINTS TO REMEMBER WHEN COMPLETING THE NOMINATION FORM

- If you nominate more than one person, indicate the percentage of death grant you wish each nominee to receive and ensure that the total of all nominations is 100%.
- The Pension Services Section will send an acknowledgement of receipt of the nomination form to the address you give on the form unless you request otherwise – if acknowledgement could be "sensitive", please bear this in mind.
- If you make a nomination and subsequently marry or remarry, form a civil partnership or subsequent civil partnership, or your marriage or civil partnership ends by decree absolute or dissolution order, you must renew your nomination so that the County Council can be satisfied of your wishes after the change of status.
- If any nominee has a change of address, please advise the Pension Services Section – failure to trace a nominee will mean that your wishes cannot be complied with.
- If the County Council do pay the death grant to a nominee or nominees, they must still be given the name(s) and contact details of your legal personal representative(s). Under tax rules, pension scheme administrators must provide them with certain information about the value of pension rights paid.

✂

STAFFORDSHIRE COUNTY PENSION FUND

LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 1997
Regulation 38: Payment of lump sum death grant: Deferred or pensioner member

NOMINATION OF BENEFICIARY

First read the accompanying notes and details of County Council policy explaining the purpose and effect of nomination, then if you wish to proceed, complete this form in BLOCK CAPITALS, detach from the notes, and send to –

PENSION SERVICES SECTION, STAFFORDSHIRE COUNTY COUNCIL
WEDGWOOD BUILDING, TIPPING STREET, STAFFORD ST16 2DH

Acknowledgement of receipt of this form will be sent to your home address unless you give alternative instructions.

PARTICULARS OF THE PERSON WISHING TO NOMINATE

Surname Mr/Mrs/Miss/Ms ……..

Forenames ……

Employing body ……

Date of birth …… National Insurance No. ……

Home address ……..

NOMINATED BENEFICIARY OR BENEFICIARIES

Full name of beneficiary ……

Address ……

Proportion of death grant to be paid to this beneficiary …….. % of 100%

Full name of beneficiary ……

Address ……

Proportion of death grant to be paid to this beneficiary …….. % of 100%

If you wish to nominate additional beneficiaries please continue details overleaf

DECLARATION

I have read the notes attached to this form, and the accompanying statement of Staffordshire County Council's policy regarding nomination. I wish to nominate the beneficiary or beneficiaries as shown above and overleaf to receive, in the proportions shown, any lump sum death grant payable upon my death under Regulation 38 of the Local Government Pension Scheme Regulations 1997 or any similar provision under subsequent regulations.

I understand that this nomination revokes any earlier nomination made by me.

I further understand that the Staffordshire County Council as the Pension Fund administering authority may, without being bound in any way to do so, have regard to this nomination but, under the above Regulations, have absolute discretion as to the recipient(s) of any death grant and as to the proportions payable.

Signed …… **Date** ……

NOMINATED BENEFICIARY OR BENEFICIARIES (CONTINUED)

Full name of beneficiary …….

Address ……

Proportion of death grant to be paid to this beneficiary …….. % of 100%

Full name of beneficiary …….

Address ……

Proportion of death grant to be paid to this beneficiary …….. % of 100%

Full name of beneficiary …….

Address ……

Proportion of death grant to be paid to this beneficiary …….. % of 100%

Full name of beneficiary
…….

Address ……

Proportion of death grant to be paid to this beneficiary …….. % of 100%

Full name of beneficiary …….

Address ……

Proportion of death grant to be paid to this beneficiary …….. % of 100%

Full name of beneficiary ……

Address ……..

Proportion of death grant to be paid to this beneficiary …….. % of 100%

Full name of beneficiary …….

Address ……

Proportion of death grant to be paid to this beneficiary …….. % of 100%