



Staffordshire Pension Fund

Local Government Pension Scheme

NOMINATION OF BENEFICIARY FOR LUMP SUM DEATH GRANT

Please note that this form applies only to those who have been members of the Local Government Pension Scheme after 31 March 2008. If you left the Scheme before 1 April 2008, please ask Pension Services for Form PEN NOM 1 instead.

On the death of a member of the Local Government Pension Scheme, a range of benefits are available. Survivors' pensions are payable to a legal spouse, or civil partner, or nominated cohabiting partner, and to eligible children.

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

For those who die in service, the death grant is normally a sum equivalent to three times the member's final pay (this would be the part-time rate in the case of a part-time member). For those who have deferred benefits (i.e. who have left the pension scheme but who are not eligible for payment of benefits at the time of death) the death grant is equivalent to five times the deferred pension (less the amount of any benefits which may have been paid in the case of a "suspended" ill-health pension). For those who have retired since 1 April 2008 and who have not attained age 75 at the date of death, the death grant is equivalent to ten times the annual pension, reduced by the amount of pension already received. Consequently the death grant payable on death in service, or with deferred benefits, or shortly after retirement, could be quite considerable.

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

The County Council would normally make the payment 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, the rules of the Local Government Pension Scheme allow the County Council 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, in accordance with their own policy guidelines, would be inclined to take account of a nomination.

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.

If you are considering nominating a beneficiary (or beneficiaries) to receive the lump sum death grant, first read the notes of guidance overleaf . . .

MAKING A NOMINATION OF BENEFICIARY FOR LUMP SUM DEATH GRANT

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, can make a nomination. Pensioners should remember, however, that their death grant entitlement is reduced by the total of pension paid and so no death grant would be due ten years after retirement. And a death grant cannot be paid in respect of anyone aged 75 or over.

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 wish, 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.

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 in respect of the death grant and subsequently marry or remarry, or form a civil partnership or subsequent civil partnership, or your marriage or civil partnership ends by decree absolute or dissolution order, or you withdraw a nomination of a cohabiting partner as a potential recipient of survivor's benefits, 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 Pension Services – 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 legal personal representatives with certain information about the value of pension rights paid.



CONFIDENTIAL



**Staffordshire
Pension Fund**
Local Government Pension Scheme

**PAYMENT OF LUMP SUM DEATH GRANT
NOMINATION OF BENEFICIARY**

First read the explanatory notes in this leaflet and in PEN NOM 42 - the accompanying notes which set out Staffordshire County Council's policy in respect 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.

YOUR DETAILS

Surname Mr/Mrs/Miss/Ms
Forenames
Employing body
Date of birth National Insurance No.
Home address

NOMINATED BENEFICIARY

Full name of beneficiary
Date of birth (if under age 18 at date of nomination)
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 under the Local Government Pension Scheme 2008 upon my death.

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

Date of birth (if under age 18 at date of nomination)

Address

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

Full name of beneficiary

Date of birth (if under age 18 at date of nomination)

Address

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

Full name of beneficiary

Date of birth (if under age 18 at date of nomination)

Address

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