

The Local Government Pension Scheme

**What is Payable in the Event of my
Death?**



What is payable if I die?

When a member of the Local Government Pension Scheme (LGPS) dies there are two different types of benefits which may be payable: a lump sum Death Grant and Survivors Benefits (ongoing pension). These notes set out how and when these benefits are payable, the level of benefits that would be payable, and who would receive the payments.

Lump Sum Death Grant

The amount of any lump sum Death Grant that is payable depends on whether you are still contributing to the scheme or if you have left employment and if you have any other Death Grant payable from another LGPS fund.

Active Members

If you are still employed and are contributing to the scheme, the lump sum Death Grant would normally be 3 times your Assumed Pensionable Pay. For example, a member earning £16,000 per year who dies would have a lump sum Death Grant of £48,000.

Deferred Members

If you left employment before pension age and were granted Deferred Benefits in the scheme, the amount of the lump sum Death Grant will depend on when you left:

If you left after 1 April 2008, the lump sum Death Grant will be 5 times your Deferred Pension. For example, a member with a Deferred Pension of £6,500 who dies would have a lump sum Death Grant of £32,500.

If you left before 31 March 2008, the lump sum Death Grant will be your Deferred Retirement Grant (this is normally 3 times your Deferred Pension). For example, a member with a Deferred Retirement Grant of £19,500 who dies would have a lump sum Death Grant of £19,500.

Pensioner Members

If you are in receipt of a pension, the amount of the lump sum Death Grant will depend on when you retired and how long you have been receiving pension:

- **Type 1**

If you left after 1 April 2014, the lump sum Death Grant will be 10 times your Standard Benefit (the pension **before** you gave up pension on retirement to increase your lump sum Retirement Grant) less the pension you have already received (the benefit payable **after** any pension you gave up on retirement to increase your lump sum Retirement Grant) and less the amount of additional lump sum you received on retirement as a result of giving up pension for lump sum. For example, a member with a Standard Pension of £8,000, who gave up £1,000 to receive an additional lump sum Retirement Grant of £12,000, receives payment of pension for 3 years and then dies would have a lump sum Death Grant calculated as follows:

10 x £8,000 =	£80,000
Less 3 x £7,000 =	£21,000
Less £12,000 =	<u>£12,000</u>
Death Grant Payable =	£47,000

However, this would only be the case if the member both started and ceased membership of the LGPS after 1 April 2014.

For a member who started before 31 March 2014, but retired after 1 April 2014, their death grant is calculated as a mixture of type 1 for the part of the pension that built up in the scheme after 1 April 2014 and type 2 for the part that built up before 31 March 2014.

- **Type 2**

If you left after 1 April 2008, but before 31 March 2014, the lump sum Death Grant will be 10 times the Pension you are in receipt of (which means the benefit payable **after** any pension you gave up on retirement to increase your lump sum Retirement Grant), less any pension you have already received. For example, a member with a Pension of £7,000 who receives payment of the pension for 4 years and then dies would have a lump sum Death Grant calculated as follows:

10 x £7,000 =	£70,000
Less 4 x £7,000 =	<u>£28,000</u>
Death Grant Payable =	£42,000 (subject to Pensions Increase to date of death)

If you left before 31 March 2008, the lump sum Death Grant will be 5 times your Pension, less any pension you have already received. For example, a member with a Pension of £2,000 who receives payment of the pension for 2½ years and then dies would have a lump sum Death Grant calculated as follows:

5 x £2,000 =	£10,000
Less 2½ x £2,000 =	<u>£ 5,000</u>
Death Grant Payable =	£ 5,000 (subject to Pensions Increase to date of death)

When is a Death Grant Not Payable?

If you are over age 75 at the date of your death, Staffordshire Pension Fund cannot pay a Death Grant.

If you hold both Active records and Deferred or Pension records after 1 April 2014 and then die, the Fund that holds the Active record is responsible for paying the Death Grant. The amount that they pay will be the higher of the total Death Grant payable in respect of all Active records or the total Death Grant payable in respect of all Deferred and Pension records. This is the case even if you have records with different Local Government Pension Scheme funds.

For example, if you have an Active record with Derbyshire Pension Fund, but have a Pension record with Staffordshire Pension Fund and a Deferred record with West Midlands Pension Fund, Derbyshire Pension Fund will be the ones who pay out a Death Grant, but they will check the value of the Death Grants that would have been due from Staffordshire Pension Fund and West Midlands Pension Fund and, if the total of these is larger than the amount they have calculated, they will pay the higher value. Staffordshire Pension Fund and West Midlands Pension Fund will not pay a Death Grant.

Who receives payment of the Death Grant?

Staffordshire County Council, as the administering authority for Staffordshire Pension Fund, has absolute discretion in deciding who should receive payment of a Death Grant. Details of how we operate this discretion and who we would make payment to can be found in our

Administering Authority policy on our website here:
<https://www.staffspf.org.uk/Governance/Policies/Policies.aspx>

Staffordshire Pension Fund can, however, take your own wishes into account: you can complete a Nomination form to tell Staffordshire Pension Fund who you would like to receive the payment in the event of your death and, if Staffordshire Pension Fund believe that the nomination is still valid in the event of your death, payment will be made directly to that person or people.

Who can be nominated?

You can nominate any person. If you decide to nominate more than one person you must specify what percentage of the Death Grant you want each person to receive. A change in your marital status between the date you complete the Nomination form and the date of death will cause your nomination to be declared invalid and the Death Grant would instead be paid to your legal personal representative.

Where can I get the form?

The Nomination of Beneficiary for Lump Sum Death Grant form is available to download and print from the Staffordshire Pension Fund website. If you do not have access to the internet or a printer, you can request a copy be sent to you through the post. You can cancel or replace a nomination at any time.

Survivor Benefits

Spouse's or Civil Partner's Pensions

If you are legally married or in a registered Civil Partnership and die, your surviving spouse or civil partner is automatically entitled to a pension, which is payable for the rest of their life. The exact level of benefit payable will depend on whether you are still contributing to the scheme or if you have left employment and when you were married or registered the civil partnership.

Active Members

If you are still employed and are contributing to the scheme, any benefit payable to a legal spouse or civil partner would be based on the total of:

- Membership before 31 March 2014

$1/160 \times \text{Total Membership (pro rated for part time service)} \times \text{Final Pay (Whole Time Equivalent)}$

- Membership after 1 April 2014

$1/160 \times \text{Actual Pensionable Pay for each year to the date of death}$

- Plus

$1/160 \times \text{Assumed Pensionable Pay for each year between your date of death and your Normal Pension Age (State Pension Age, or 65 if later)}$

Deferred Members

If you left employment before pension age and were granted Deferred Benefits in the scheme, any benefit payable to a legal spouse or civil partner would be based on the total of:

- Membership before 31 March 2014*

$1/160 \times \text{Total Membership (pro rated for part time service)} \times \text{Final Pay (Whole Time Equivalent)}$

- Membership after 1 April 2014

$1/160 \times \text{Actual Pensionable Pay for each year to the date of leaving}$

*If you married or registered a civil partnership before you left, this period of membership is unrestricted, but if you married or registered a civil partnership after you left, this period of membership is restricted to membership after 6 April 1978 for a male member with a female survivor, or membership after 6 April 1988 for a female member with a male survivor, or any member with a same-sex survivor.

Pensioner Members

If you are in receipt of a pension, any benefit payable to a legal spouse or civil partner would be based on the total of:

- Membership before 31 March 2014*

$1/160 \times \text{Total Membership (pro rated for part time service)} \times \text{Final Pay (Whole Time Equivalent)}$

- Membership after 1 April 2014

$1/160 \times \text{Actual Pensionable Pay for each year to the date of leaving}$

*If you married or registered a civil partnership before you left, this period of membership is unrestricted, but if you married or registered a civil partnership after you left, this period of membership is restricted to membership after 6 April 1978 for a male member with a female survivor, or membership after 6 April 1988 for a female member with a male survivor, or any member with a same-sex survivor.

Cohabiting Partner's Pensions

This benefit is **only** available to those people who were employed and contributing to the LGPS after 1 April 2008. While there is no legal requirement to complete a Nomination of Cohabiting Partner form, it is easier for Staffordshire Pension Fund to award a pension if a form is completed.

The Nomination of Cohabiting Partner form is available to download and print from the Staffordshire Pension Fund website. If you do not have access to the internet or a printer, you can request a copy be sent to you through the post. You can cancel or replace a nomination at any time.

There are 4 conditions to meet for a Cohabiting Partner's pension to be paid in the event of your death, these must be proved to Staffordshire Pension Fund by your partner after your death and they must have been met for a period of at least 2 years prior to the date of death. These conditions are:

1. you are not married or in a registered civil partnership, but are living with someone as if you are;
2. you are both free to marry or enter a civil partnership (i.e. you are not married to or in a civil partnership with someone else, but have not yet divorced or dissolved the civil partnership);
3. neither of you are living with another person as if you are married or in a registered civil partnership
4. you and your partner are financially interdependent on each other, or your partner is financially dependent on you*

* To prove this after your death, your partner will need to provide two years' evidence of this financial dependence or interdependence, examples of evidence include but are not limited to:

- Council tax bills, bank or credit card statements and main utility bills
- Mortgage statements or property rental agreement
- Copies of joint life assurance policies or loan/credit agreements taken out in both names.

The exact level of benefit payable will depend on whether you are still contributing to the scheme or if you have left employment.

Active Members

If you are still employed and are contributing to the scheme, any benefit payable to a legal spouse or civil partner would be based on the total of:

- Membership before 31 March 2014**

$1/160 \times \text{Total Membership (pro rated for part time service)} \times \text{Final Pay (Whole Time Equivalent)}$

- Membership after 1 April 2014

$1/160 \times \text{Actual Pensionable Pay for each year to the date of death}$

- Plus

$1/160 \times \text{Assumed Pensionable Pay for each year between your date of death and your Normal Pension Age (State Pension Age, or 65 if later)}$

Deferred and Pensioner Members

If you left employment, any benefit payable to a legal spouse or civil partner would be based on the total of:

- Membership before 31 March 2014**

$1/160 \times \text{Total Membership (pro rated for part time service)} \times \text{Final Pay (Whole Time Equivalent)}$

- Membership after 1 April 2014

$1/160 \times \text{Actual Pensionable Pay for each year to the date of leaving}$

** This period of membership is restricted to membership after 6 April 1988

Children's Pensions

If you have eligible children and die, they would be entitled to receive a Child's Pension. The exact level of benefit payable will depend on whether a benefit is payable to a surviving spouse, civil partner or cohabiting partner as well as to the child and if you are still contributing to the scheme or if you have left employment.

To be eligible, a child must be either:

- A. A natural or adopted child born before, on or (if a natural child) within 12 months of your death, or
- B. a step-child or any other child accepted as a member of your family and who was dependant on the member at the date of death.

who is also:

1. under age 18;
2. between 18 and 23 and still in continuous Full Time education or vocational training; or
3. of any age and unable to work due to physical or mental impairment.

If condition 3 were to apply, Staffordshire Pension Fund must ask an Independent Registered Medical Practitioner, approved by the fund, to make an assessment and, if the condition is met, then the pension would continue to be paid for the life of the child.

The calculation for a Children's Pension is much the same as the calculation for a surviving spouse or civil partner (although there is no restriction to membership). The fractions used in the calculations are also different:

- if there is 1 child and another survivor benefit is also payable, then the calculation would be based on $1/320$;
- if there is more than 1 child and another survivor benefit is also payable, then the calculation would be based on $1/160$, with the total amount of pension calculated shared equally between the children;
- if there is 1 child and **no** other survivor benefit payable, then the calculation would be based on $1/240$;
- if there is more than 1 child and **no** other survivor benefit payable, then the calculation would be based on $1/120$, with the total amount of pension calculated shared equally between the children.

If there are 2 or more eligible children, and one child ceases to be eligible (attains age 18, say) then the pension share for the remaining children is changed, until the point that there remains only 1 eligible child, at which point that child would receive only 1/320 or 1/240, depending on circumstances.

If initially another survivor pension had been payable and then the recipient of that pension were to die also, any children's pensions which had initially been calculated at the rate of 1/320 or 1/160, would be recalculated to the rate of 1/240 or 1/120 respectively and this increased pension would be paid from the day after the death of the survivor.

For full details of what pension would be payable in the event of your death, you should contact Staffordshire Pension Fund.

Where can I get further information?

If you require further information about the areas covered by these notes, you can get in touch as follows:

Website: www.staffspf.org.uk

Email: pensions.enquiries@staffordshire.gov.uk

Post: Staffordshire Pension Fund, 2 Staffordshire Place, Tipping Street, Stafford, ST16 2DH

Phone: 01785 278222

If a copy of this information is needed in large print, Braille, another language or on cassette or disc, please contact Pensions Services.

These notes are for guidance only and should not be taken as a complete statement of the law. Pension legislation is continually changing and these notes can offer guidance on the rules only as at the date of issue.

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