

Allocating part of your pension to a named dependant factsheet

What is allocation?

Allocation is giving up a part of your pension to provide a pension for somebody else when you die, for example a member of your family or a close friend (your beneficiary). This means your pension will be reduced at your retirement. If you die before your beneficiary they will then get that part of your pension you have allocated to them for life. You can allocate to anyone you choose as long as they are at least partially dependent on you. If you allocate to your spouse, civil partner or nominated qualifying partner they will get the allocated pension as well as their survivor's pension from the Scheme. Please note that the pension you give up does not count against the standard Lifetime Allowance.

When can you allocate?

An application to allocate must be made with the form AW8 or AW8P. Once your benefits have been put into payment an application to allocate cannot be accepted.

Important: You can only cancel or change an application to allocate before we accept the application. You cannot cancel it once we have accepted it. This means that even if your beneficiary dies before you, you will never be able to get back the part of your pension you have given up. We will only change or cancel an application to allocate if you or your beneficiary die before we have accepted it.

Who can allocate?

You can allocate if you are a Scheme member, or if you have benefits deferred in the Scheme and are applying to take your NHS pension benefits.

Before we can allow you to allocate part of your pension you will need to have a medical examination, performed by your GP. You will have to pay any fee charged by the doctor for the examination and report.

Your beneficiary does not have to be medically examined, but we do advise you to satisfy yourself that they are likely to live at least as long as you.

How much of my pension can I allocate?

You can allocate up to one third of your pension, but you must:

- give up an exact number of pounds, and
- provide an additional pension of at least £260 a year for your beneficiary, and
- provide a total value of the beneficiary's pension benefits, which exceeds the amount that can be commuted to a one-off lump sum payment i.e. 1% or more of the standard Lifetime Allowance, and
- be left with a pension which is the same as, or more than, your GMP (see Retirement Booklet), and
- be left with more pension than your beneficiary.

The amount of pension your beneficiary will receive for each £1 allocated will depend on:

- your age
- your beneficiary's age
- whether your beneficiary is male or female.

What do I do if I want to allocate?

Complete form AW8/11A at the back of this factsheet and attach it to the relevant application form. We will then send you details and illustrations to help you decide whether to allocate or not.

Allocation to a child

HMRC's rules restrict authorised payments of a pension to a child up to the age of 23. Payments paid to a child after the age of 23 may be an unauthorised payment subject to a 40% tax charge (plus any normal income tax).

However, if at the time of your death the child is dependent on you due to "physical or mental impairment" then the payment will remain authorised.

To establish if the child meets HMRC's requirement they will have to undergo a medical examination.

NHS Pension Scheme - Allocation of Pension

Scheme reference number SD /

- Important**
- Attach this form to your retirement application form
 - Payment to a child may cause an unauthorised payment and 40% tax charge on each payment after the child reaches age 23.

I am interested in finding out how much of my pension I can allocate, to provide a pension for another person in the event of my death.

My retirement date is

The person I may wish to allocate to is

Female

Male

The name of the person I wish to allocate to

Their relationship to me

Their date of birth is

Signature

Date

Contact telephone number
(including STD code)