

## Life Assurance and Family Benefits Factsheet - 1995 Section

1995 section

You are automatically covered by the Scheme's life assurance benefits from the day you join.

Pensions for surviving partners can be paid to:

- a legal spouse; or
- a registered civil partner; or
- a nominated partner with whom you have an exclusive long-term committed relationship of at least two years and upon whom you are either financially dependent or inter-dependent.

A form PN1 to nominate a non-legal partner can be downloaded from our website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

The benefits payable will depend on your circumstances when you die.

You are advised to tell your next of kin or personal representative about the benefits that may be payable on your death.

### Lump sums

These are not normally included in an Inheritance Tax assessment if you are married or have a registered civil partner. However if the payment of the death lump sum partly or wholly causes you to exceed HMRCs lifetime allowance (LTA), then the excess payment above the LTA will be subject to a lifetime allowance charge (LTAC).

In addition to the possibility of a LTAC, if you are single a lump sum paid to a nominated person or persons may be subject to Inheritance Tax assessment. A lump sum paid into a deceased person's estate will normally be included in any Inheritance Tax assessment.

If you nominate a person or persons they should check their own tax position with HMRC.

Whenever a death lump sum is payable we will inform your legal personal representative (LPR) of the amount and percentage of the standard LTA represented by the death lump sum. Your LPR is responsible for notifying this figure to HMRC if there is a LTAC. The beneficiary of the death lump sum is legally responsible for paying any LTAC that may become due.

The death lump sum must be claimed and paid within 2 years of your death otherwise it becomes an “unauthorised” payment under HMRC rules and is subject to 40% tax.

If you are legally married (including separated), or have formed a civil partnership, or have nominated a qualifying partner, your surviving spouse, civil partner or partner will automatically get the lump sum unless you have nominated anyone else on form DB2. You can get this form from our website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions) or your Pension Officer can download a copy for you. The lump sum will then be paid to your nominees.

If you are single without a nominated qualifying partner, divorced or have terminated a civil partnership the lump sum will be paid automatically to your estate unless you have nominated anyone on form DB2.

You can nominate (name) multiple persons, including children, or one organisation, including a bank, trustee or firm of solicitors. The lump sum will then be paid to your nominees automatically, without waiting for Grant of Probate or Letters of Administration.

You can change your instructions on form DB2 at anytime. A new form DB2 replaces any earlier form DB2.

### Pensions for surviving partners

This information only applies to members who retired on, or after 1 April 2008.

A survivor's pension for your legal spouse, civil partner or nominated qualifying partner is payable for life, even if your spouse, civil partner or partner remarries or begins living

with someone as their spouse, civil partner or partner. Note: Survivors of members who had a last day of membership before 1 April 2008 will lose their survivor pension if they re-marry or co-habit.

A widower, civil partner or nominated qualifying partner's survivor pension will normally be based on your membership from 6 April 1988 only unless:

- extra cover was bought for any membership before 6 April 1988; or
- a successful allocation nomination was made in respect of a financially dependent legal partner.

Nomination for full widower or civil partner's cover should not be confused with nomination for the life assurance lump sum described on the previous page.

### Allowances for dependent children

Child allowances are based on your pension and membership. They can be paid to anyone who has care of the children or to the children if they look after themselves.

The amount of the allowance depends on the number of dependent children, and whether there is a surviving parent who will get a Scheme survivor's pension.

**A dependent "child" is someone who is financially reliant or dependent on you and is:**

- under age 23; or
- aged 23 or over but unable to earn a living due to a permanent physical or mental condition which he or she was suffering from at the time of your death.

If a "child" is dependent because of a permanent physical or mental condition we will ask for medical advice and a medical report before paying the allowance.

A "child" includes a member's child, an adopted child, a step child, a child of your civil or nominated qualifying partner, a grandchild, any dependent child, and a nephew or a niece.

If there is entitlement to a survivor's pension from the Scheme the allowance is usually :

- for 1 child - one quarter of the child allowance;
- for 2 or more children - one half of the child allowance.

If there is no entitlement to a survivor's pension from the Scheme, the allowance is usually:

- for 1 child - one third of the child allowance;
- for 2 or more children - two thirds of the child allowance divided between them.

The amount of dependants' benefit payable in the first year after your death is limited by HMRC to no more than you would have received in pension.

### What if I die before I retire?

If you die in pensionable employment (but not pensionable re-employment) we will pay a lump sum equal to 2 years' pensionable pay. For general medical, ophthalmic, locum and dental practitioners the lump sum will be twice the annual average of the uprated pensionable pay earned throughout their career.

### How much would the survivor's pension be?

If you have less than 2 years' membership when you die, your spouse, civil partner or nominated qualifying partner will get a short term pension for 6 months. The pension will be at the same rate as your pensionable pay at the time of your death.

If you have at least 2 years' membership when you die, your spouse or partner will get the short term pension for 6 months.

Widows will then get a survivor's pension payable for life of half the amount of the tier 2 ill-health pension you would have received on the date of your death.

Widowers, civil partners and nominated qualifying partners will get a survivor's pension payable for life of half the amount of tier 2 ill-health pension you would have received on the date of your death, based on your membership since 6 April 1988 only.

The Ill health section of the Main Scheme Guide explains how ill-health pensions are worked out.

### Allowances for dependent children

An allowance may be paid for any children who were dependent on you at the time of your death.

Where a Scheme survivor's pension is being paid and the dependent child is living in the same household, we will also pay the normal child allowance from the day following your date of death.

Where a Scheme survivor's pension is being paid and the dependent child is living in a different household, we will pay from the day after the date of death:

- an allowance for 3 months. The amount of the allowance will be the same as your pensionable pay on the day you died, then
- the normal rate of child allowance.

Where there is no entitlement to a Scheme survivor's pension, we will pay from the day after your date of death:

- an allowance for 6 months. The amount of the allowance will be the same as your pensionable pay on the day you died, then
- the normal rate of child allowance.

### Amount of child allowance

The child allowance is usually a proportion of the amount of the tier 2 ill-health pension you would have received on the date of your death or if greater the amount of your pension based on 10 years membership.

### Bigger survivor's pension - Allocation

If you are in good health for your age you can give any dependant a pension when you die, by applying to allocate (give up) part of your own pension. You can also do this

to give a spouse, partner or child a bigger pension, but you cannot change your mind afterwards, even if the chosen person dies before you. There are time limits on when you can apply. So if you are thinking about this you should contact NHS Pensions **before you retire.**

## What if I die after I retire?

Your spouse or partner will get a short term pension for 3 months, 6 months if there is at least one dependent child, at the same rate you were getting when you died. They will then get a surviving partners pension.

A lump sum is not normally paid when a Scheme pensioner dies, (including a Scheme pensioner in pensionable re-employment). But if death occurs within 5 years of retirement the lump sum will be the lesser of either:

- 5 times the pension less the amount of pension already paid, or
- twice the member's pensionable pay less the retirement lump sum paid.

## Pensions for surviving partners

After the short term pension has ended a widow will usually get a survivor's pension payable for life of half the amount her husband was receiving when he died (this will only be for life if there was membership on or after 1 April 2008).

A widower or surviving partner will get a pension payable for life of half the pension the member would have got for membership since 6 April 1988 only. There will be a bigger survivor's pension if you paid for survivor pension cover for any membership before 6 April 1988 or made a successful **Allocation** nomination.

## Allowances for dependent children

An allowance may be paid from the day after your death for any children who were dependent on you both when you retired and at your date of death.

## What if I have left the scheme but not retired?

The Scheme will normally pay a lump sum when any former member

- dies within 12 months of leaving pensionable employment, or
- with deferred benefits.

The lump sum will be three times the annual pension you would have got if you had retired on the day you died.

No benefit is payable if you had a refund of contributions or transferred your pension rights to another pension arrangement.

### Pensions for surviving partners

The amount of pension depends on when you left the Scheme and whether you were married or had a registered civil partner or a nominated qualifying partner at the time of leaving.

If you were married, had a civil partner or nominated qualifying partner before you left the Scheme, no short term pension will be paid, but your spouse or partner will get a survivor's pension from the day after the date of your death.

If you die within 12 months of leaving the Scheme, we will pay a lump sum equal to 3 times the pension you would have received on the day you died.

#### How much would the survivor's pension be?

If you have less than 2 years membership when you die and have not claimed a refund of your contributions, your widow may be entitled to a widow's guaranteed minimum pension.

If you have 2 or more years' membership when you die:

Widows will get a survivor's pension payable for life of half the amount of the tier 2 ill-

health pension you would have received on the date of your death;

Widowers, civil partners and nominated qualifying partners will get a survivor's pension payable for life of half the amount of tier 2 ill-health pension you would have received on the date of your death, based on your membership since 6 April 1988 only (this will only be for life if there was membership on or after 1 April 2008).

The Ill health section of the Main Scheme Guide explains how ill-health pensions are worked out.

#### If you die with deferred benefits, 12 months or more after leaving the Scheme

a **widow** will get a survivor's pension of one half of the deferred pension her husband would have got if he had retired on the day he died.

a **widower** or surviving partner will get a pension of one half of the deferred pension the member would have got if they had retired on the date of their death, based on membership since 6 April 1988 only. But there will be a bigger survivor's pension if the member paid for survivor pension cover before 6 April 1988 or made a successful **Allocation** nomination.

#### Allowances for dependent children

An allowance may be paid from the day after your death for any children who were dependent on you both when you left the Scheme and at your date of death.

#### Claiming the benefits

Anyone who wants to claim the Scheme benefits in respect of a **current** Scheme member who has died should contact the Pension Officer at the member's place of work.

Anyone who wants to claim the Scheme benefits in respect of a former Scheme member who has died should contact NHS Pensions at the address in the Help and general information section of the Main Scheme Guide.

### NHS Money Purchase and Stakeholder Pensions

If you paid to a NHS Money Purchase or Stakeholder pension during your Scheme membership there may be additional benefits payable. In these circumstances anyone claiming Scheme benefits following your death should write to the appropriate company at the address in the Help and general information section of the Main Scheme Guide, enclosing a copy of your death certificate.