

Life Assurance and Family Benefits Factsheet - 2008 Section

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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 at the time of your death 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: www.nhsbsa.nhs.uk/pensions

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

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

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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.

If you are legally married (including separated), or have formed a civil partnership, or have nominated a qualifying partner, your surviving spouse, 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 or your Pension Officer can download a copy for you. The lump sum will then be paid to your nominee.

If you are single without a 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 be paid to your nominees automatically, without waiting for Grant of Probate or Letters of Administration.

You can change your instruction on form DB2 at anytime by making a new nomination on form DB2.

Pensions for surviving partners

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

The survivor's pension will be 37.5% of your own pension. If you are a GP the survivor's pension will be 70/187ths of your own pension.

Allowances for dependent children

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

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The pension for distribution as child allowance is 75%, or for general practitioners 140/187ths, of the pension before commutation that you would have been entitled to had you been awarded a tier 2 ill-health pension on the day of your death - see the Ill health section of the Main Scheme Guide.

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.

What if I die in pensionable employment?

If you die in pensionable employment we will pay a lump sum equal to 2 years' reckonable pay provided you have not drawn down any of your pension.

If you are a general practitioner the lump sum will be twice the annual average of the uprated pensionable pay earned throughout your career.

How much would the survivor's pension be?

If you have **less than 2 years membership** when you die, your spouse or 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 are a general practitioner the pension will be based on your average pensionable earnings during the last complete quarter.

If you have **2 or more years' membership** when you die, your spouse or partner will get the short term pension for 6 months. Thereafter a survivor's pension will be payable for life. The survivor's pension will be 37.5% of the tier 2 ill-health pension you would have

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received on the day of your death.

If you are a general practitioner the survivor's pension will be 70/187ths of the tier 2 ill-health pension you would have received on the day of your death.

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

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 husband, wife, civil partner, nominated qualifying 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 pension draw down?

If you die in pensionable employment following a pension draw down there will be two elements to be considered in calculating the lump sum as follows:

- the lump sum in respect of the benefits that have not been claimed; and
- where death occurs within 5 years of a pension draw down, the lump sum in respect of the drawn down benefits .

How will each element of the lump sum be calculated?

The lump sum in respect of the benefits that have not been drawn down will be twice reckonable pay adjusted by the proportion of those benefits to the total value of all your Scheme benefits.

The lump sum in respect of the drawn down benefits will be the lesser of either:

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- 5 times the post-commuted pension less the amount of pension actually paid; or
- twice the actual reckonable pay used in the calculation of the most recent drawn down benefits, adjusted by the proportion of drawn down benefits to the total value of all your Scheme benefits less the amount of lump sum taken.

How will the survivor's pension be calculated?

The initial pension will be calculated as two elements, reflecting the rules relating to both death before and after retirement. After the short term pension has ended your spouse or partner will get a survivor's pension payable for life.

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 survivor's pension.

A lump sum is not normally paid when a Scheme pensioner dies, 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 any retirement lump sum paid.

Pensions for surviving partners

After the short term pension has ended your spouse or partner will get a survivor's pension payable for life.

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What if I die during re-employment?

If you die in pensionable re-employment following retirement there will be two elements to be considered in calculating the lump sum as follows:

- the lump sum in respect of the benefits that you have earned in re-employment; and
- where death occurs within 5 years of retirement, the lump sum in respect of your retirement pension.

How is each element of the lump sum calculated?

The lump sum in respect of your re-employment will be 5 times your pension.

The lump sum in respect of any retirement benefits that have been in payment for less than 5 years will be the lesser of either:

- 5 times the post-commuted pension less the amount of pension actually paid; or
- twice the reckonable pay used in the retirement benefits calculation, adjusted by the proportion of retirement benefits to the total value of all your Scheme benefits, less the amount of lump sum already taken.

How will the survivor's pension be calculated?

The initial pension will be calculated as two elements, reflecting the rules relating to both death before and after retirement. After the short term pension has ended your spouse or partner will get a survivor's pension payable for life.

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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 two and a quarter times the annual pension the member would have got if they had retired on the day they died.

No further benefits are 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.

If you die within 12 months of leaving the Scheme no short term pension will be paid, but your spouse or partner will get a survivor's pension payable for life from the date of death. The survivor's pension will be 37.5% of the tier 2 ill-health pension you would have received on the day of your death.

If you are a general practitioner the survivor's pension will be 70/187ths of the tier 2 ill-health pension you would have received on the day of your death.

The Ill health section of the Main Scheme Guide gives more information about how ill-health pensions are worked out.

For members who die with deferred benefits no short term pension will be paid, but the spouse or partner will get a survivor's pension payable for life from the date of death.

The survivor's pension will be 37.5% of your own pension.

If you are a general practitioner the survivor's pension will be 70/187ths of your own pension.