

Bereavement – Death in service

Angela Williams

What does this presentation cover?

- Death in service life assurance lump sum
- Short term adult dependant pension
- Continuing adult dependants pension
- Initial and continuing children's pension



Which application form should be completed when a member of the scheme dies?

If a member dies whilst in pensionable employment you are responsible for issuing the forms to the next of kin

- Claim for lump sum on death of an active member (AW11)
- Claim for adult dependants pension on death of an active member (AW9)

If the life assurance lump sum is £5000 or more, a grant of probate or letter of administration may be required before the life assurance lump sum can be paid.

This only applies where the member has not completed a death benefit nomination form and does not leave a spouse, civil partner or nominated qualifying partner that meets the criteria of payment of an adult dependant pension.

Life assurance lump sum (Death in service) – What's payable?

1995 Section	Life assurance lump sum is equal to twice the actual pensionable pay
2008 Section	Life assurance lump sum is equal to twice the actual reckonable pay
2015 Scheme	<p>Life assurance lump sum is the highest of either;</p> <p>2 x the relevant earnings in the last 12 months of pensionable membership (this could be extended after the date of death if there is entitlement to untaken annual leave)</p> <p>2 x the relevant earnings for the scheme year, up to 10 years earlier, with the highest revalued pensionable earnings</p>

Short term Adult's Dependant's Pension

For active members who die in service, a short term adult dependant pension is payable for the first 6 months commencing from the day after the member died.

- Payable from all sections and schemes even if the total NHS membership is less than 2 years.
- The short term pension is equal to the amount of the members annual rate of pensionable earnings on the day they died divided by 12.
- The short term pension is not based on the members pay in the last 365 days.

You must notify us you have paid the short term adult dependants pension via the AW9 using the tick box now incorporated within the form.

FIN9EA is the form used for you to claim back from NHS Pensions the short term adult dependants pension paid.



Short term adults dependant's pension – Less than 2 years membership

	Short term adult dependant pension payable	Continuing adult dependants pension payable
Member dies in service before normal pension age with less than 2 years qualifying membership.	Yes	No
Member dies in service after normal pension age with less than 2 years qualifying membership.	Yes	Continuing pension equal to a percentage of the pension that would have been payable if the member had retired with an Age pension on the day they died.

Short term adults dependant's pension –2 years or more membership

	Short term adult dependants pension payable	Continuing adult dependants pension payable
Member dies in service before normal pension age with more than 2 years qualifying membership	Yes	Continuing pension equal to a percentage of the Tier 2 ill health pension that would have been payable at the date of death.
Member dies in service on or after their normal pension age with 2 or more qualifying membership	Yes	Continuing pension equal to a percentage of the Age pension that would have been payable at the date of death.

Continuing Pensions

Same sex marriages and civil partnerships

Following a court judgement (*Walker v Innospec*) the government introduced changes to our regulations to provide for:

- Survivors of same sex marriages and same sex civil partnerships would be assessed the same as a female adult dependant applying for a continuing pension.
- Change would be applied from the date of the same sex marriage or civil partnership.
- The continuing pension will be based on when the deceased member was in NHS pensionable employment, their pay and pensionable membership (1995/2008).

Continuing adult dependant's pension – 1995 Section

Death in service	Continuing adult dependants pension
At least 2 years membership	50% of the notional tier 2 ill health pension if under age 60 at the date of death: or 50% of the notional age pension if over age 60 at the date of death. Based on membership from 6 April 1988, or if the claimant was the widow of a male member/survivor of a same sex marriage/civil partnership the pension will include membership prior to 6 April 1988
Less than 2 years membership and before age 60	No
Less than 2 years membership and after age 60	50% of the notional Age pension

Continuing adult dependant's pension – 2008 Section

Death in service	Continuing adult dependants pension
At least 2 years membership	A continuing adult dependant's pension of either: 37.5% of the notional tier 2 ill health pension if under age 65 at date of death; or 37.5% of the notional Age pension if over age 65 at date of death
Less than 2 years membership & before age 65	No
Less than 2 years membership & after age 65	A continuing adult dependant's pension of 37.5% of the notional Age pension

Continuing adult dependant's pension – 2015 Scheme

Death in service	Continuing adult dependants pension
At least 2 years membership	Either: 33.75% of the notional tier 2 ill health pension if under Normal Pension Age at date of death or, 33.75% of the notional age pension if over Normal Pension Age at date of death
Less than 2 years membership & under normal pension age.	No
Less than two years membership and over normal pension age)	A continuing adult dependant's pension of 33.75% of the notional Age pension

Scheme Partner – Brewster Case

There is no longer a requirement for completion of a Partner nomination (PN1). The following conditions must still be met at the date of death:

- Claimants will need to prove they were in a relationship for at least two years and were both free to marry. Neither living with a third person.
- There was financial dependency (rely on joint finances to support each other) joint bank account, mortgage etc.

Eligibility for an adult dependant's pension (Scheme partner only) can only be determined at the time of death.

It is still good practice to complete a PN1 form.



More than one adult survivor

If at the date of death the member was married to one or more person(s) under a law which permits polygamy, any pension payable to the surviving adult dependant shall be payable to that person, or where there is more than one, to those adult dependants in equal shares.

The shares will be calculated as at the date the member dies.

A persons share of a pension will not be increased on the death of any other surviving adult dependant.



Children's pension - Eligibility

A children's pension may be payable to:

- Biological children/Grandchildren
- Children of a civil/scheme partner
- Step children and adopted children
- Brother/sister, niece/nephew of the member or of their spouse, civil/scheme partner
- Children born within 12 months of the date the member leaves pensionable employment.

The full list is in the Survivor Guide.

Continuing children's pension

A children's pension may be paid if:

- The child is dependent on the member both at retirement and at the date of death and under age 23.
- Aged 23 or over and incapable of earning a living due to permanent physical or mental infirmity from which they were suffering at the time the member died.



Children's pension – Payable where there is a surviving parent who is entitled to a continuing pension

Continuing children's pension -1995 section	A children's pension of 25% of the Notional tier 2 ill health pension for 1 child (50% shared equally for two or more children)
Continuing children's pension -2008 section	A children's pension of 18.75% of the notional tier 2 ill health pension for 1 child. (37.5% shared equally for two or more children)
Continuing children's pension -2015 scheme	A children's pension of 16.875% of the notional tier 2 ill health pension for 1 child. (33.75% shared equally for two or more children)

Children's pension

Employers are not responsible for paying the short term children's pension

Higher rates maybe payable if there is no adult dependents pension payable

The short term children's pension maybe payable for:

- 3 months if the child is not dependent on the adult receiving a continuing pension or 6 months where there is no adult pension payable.

A continuing children's pension is payable even if the member had less than 2 years membership...

Thankyou for listening

Any Questions.....



Angela Williams
Stakeholder Engagement Manager