

## NHS Pensions - Death during re-employment – 1995 Section

If a member dies in pensionable re-employment there will be two elements to be considered when calculating any lump sum on death benefit. These are:

- the lump sum in respect of the benefits that the member has earned in re-employment
- where death occurs within five years of retirement, any lump sum due in respect of their original retirement pension.

### How is each element of the lump sum calculated?

1. The lump sum in respect of the re-employment will be equal to five times the pension for the service built up in respect of the re-employment only.
2. The lump sum in respect of any retirement benefits that have been in payment for less than five years will be the lesser of either:
  - five times the annual pension less the amount of pension already paid, or
  - twice the pensionable pay less the total retirement lump sum paid.

**Note:** If the total amount of tax free lump sum, from the original retirement, exceeds twice the member's actual pensionable pay no further lump sum is payable.

Any lump sum must be paid within two years of the date that the Scheme was first notified of the member's death. After two years the lump sum will be subject to a HM Revenue & Customs (HMRC) tax charge of up to 45%. NHS Pensions has no discretion and must deduct the tax charge from the lump sum payment.

### How will the adult dependant's pension be calculated?

There will be two elements to consider when calculating the adult dependant's pension, reflecting the rules relating to death before and after retirement.

Entitlement to each element will depend on whether the member was married to their spouse when they first retired and/or at the date of death:

1. Providing the member was married when they first retired the spouse or partner will get a short term pension for the first three months, six months if they leave at least one child who is dependant on the spouse or partner. This short term pension will be equal to the same rate of pension the member was receiving when they died, plus
2. A short term pension for six months equal to the member's pensionable pay when they died. This is paid by the employer.

After the short term pensions have ended the spouse or partner may receive an adult dependant's pension. Again, there are two elements to consider depending on the circumstances. These are:

1. the adult dependant's pension element notified at the time of the original retirement, if appropriate, plus
2. an adult dependant's pension equal to half the pension the member would have received had they retired on the day they died in respect of the re-employed membership only.

## Children's pension

There will be two elements to consider in calculating a children's pension, reflecting the rules relating to death before and after retirement.

All dependency and eligibility criteria must be satisfied in respect of the pension already in payment and also in respect of the re-employment.

Entitlement to each element will depend on whether the child was dependent when the member first retired and/or at the date of death.