NHS Pensions - Increased survivor pension cover – factsheet and employer FAQs

From 1 April 2008 nominated partners, subject to the satisfaction of certain conditions, will be provided with Surviving Partner Pension cover based on Scheme membership from 6 April 1988, on the same basis as widowers and registered civil partners.

A time limited opportunity was available for relevant members of the NHS Pension Scheme (1995 Section), who had Scheme membership prior to 6 April 1988, to buy increased Surviving Partner Pension cover, for all or part of their Scheme membership prior to that date. The option was only available until 30 June 2009.

Increased Surviving Partner Pension cover could also be bought for any added years of membership before 6 April 1988. Added year contracts taken out on or after 6 April 1988 now include Surviving Partner Pension cover for nominated partners, registered civil partners and widowers.

Who was this option available to?

The option was available to members of the 1995 Section of the Scheme who were contributing on and after 1 April 2008, have membership before 6 April 1988 and were:

- A female member with a husband (or who wishes to purchase the increased Surviving Partner Pension cover for a future husband) or
- Any member with a registered civil partner (or who wishes to purchase the increased Surviving Partner Pension cover for a future civil partner) or
- Any member with a non-legal partner (or who wishes to purchase the increased Surviving Partner Pension cover for any future partner) and in all cases
- Able to sign a declaration of good health for their age

A male member with a wife did not need to apply for this option.

Members could choose to buy either all their membership before 6 April 1988 or complete years of membership.

Once an application had been accepted, it could not be revoked in the event of a husband, civil or non-legal partner dying before the member. They were buying increased Surviving Partner Pension cover, which would not be allocated to an individual until the member actually died. Any subsequent husband, civil or non-legal partner would benefit from the increased cover bought.

How was the increased cover paid for?
A member could buy increased Surviving Partner Pension cover by either:

- Agreeing to give up some of their retirement lump sum or
- Paying additional contributions by a single lump sum or
- Paying additional contributions from their next birthday until their normal pension age (NPA). Please note a contract must have the ability to run for a minimum of 2 years before NPA.

A member could make an application to buy increased Surviving Partner Pension cover by completing the relevant part of form SDSP1 in the booklet SDSP, which could have been downloaded from our website www.nhsbsa.nhs.uk/pensions

Employers should have completed Part 6 of form SDSP1, confirming the member was not absent due to illness and include the pensionable pay figure to be used in the calculation of the cost, as indicated by the member in Part 4 and then send the completed form to NHS Pensions.

Part time members cannot avoid a reduction to the lump sum, even if the AVC contract has run to full term, or they have paid by single payment. Part time members pay the extra percentage from their actual pensionable pay and membership is purchased in proportion to their actual hours. The balance of payment for any membership requested must be taken by reducing the lump sum at retirement.

If a member has requested a transfer of pension rights or died, the balance for any membership requested must be taken by reducing the lump sum, before calculating the transfer value, or from the Death Gratuity (DG).

If a member chose to pay by additional contributions, they would have been sent a statement confirming the additional percentage along with form SDSP2. This form is similar to form AB54 and is completed jointly by the employer and the member before being returned to NHS Pensions.

If a member chose to pay by single payment, they would have been sent a statement confirming the single payment cost, together with form SDSP3. The member was instructed to complete the form before sending it to their employer with the single payment. Employers would then complete their part of form SDSP3 and send it, together with the single payment to NHS Pensions.

**Q How did a member obtain a quote for Bigger Surviving Partner Pension?**

A member could have requested a cost quotation by completing form SDSP1 in booklet SDSP (Buying a Bigger Surviving Partner Pension). Remember this opportunity was only open until **30 June 2009**.

**Q How was the cost calculated when paying by single payment or additional voluntary contributions (AVC)?**
A **Lump sum** - the member will have been charged a set amount of contributions for each year of membership before 6 April 1988 that they buy. The amount depends on their age and pensionable pay at the time of application. The full cost must have been paid within 3 months of receiving the cost quotation.

**By regular contributions** - the member will have been charged a set amount of additional contributions up to retirement. Contributions were payable from the next birthday and must begin at least 2 years before the member plans to retire.

**Q How was the cost calculated when paying by giving up some of the retirement lump sum?**

**A Officers** - The lump sum would be reduced by 1.4/80ths for each year of pre 6 April 1988 membership bought.

**Practitioners** – The lump sum would be reduced by 1.96% of the uprated pensionable pay earned for each year of pre 6 April 1988 membership bought.

**Q Can a member decide to cease purchasing Bigger Surviving Partner Pension cover?**

**A No**, once an application has been signed and accepted, it cannot be revoked for any reason.

**Q What if the beneficiary dies before the member?**

**A Any subsequent husband / civil or nominated partner will benefit from the additional cover purchased.**

**Q How is purchasing the Bigger Surviving Partner Pension cover different for part-time members?**

**A Any part-time member will automatically have a lump sum reduction, even where the AVC contract has run full term, or they paid by single payment. Membership is purchased in proportion to the hours a member accrues until retirement, and on actual part-time pensionable pay. The balance of the requested membership will be deducted from their lump sum.**

**Q What if the member dies or retires due to ill health before normal pension age?**

**A Any outstanding AVC contract will be waived before normal pension age, providing the contract has run for at least 12 months. AVC contracts of less than 12 months will be void and contributions will be refunded. The full cost of the Bigger Surviving Partner Pension cover will be deducted from the lump sum at retirement.**

**Q What happens if the AVC contract is not completed in any other circumstance?**

**A The pre 1988 purchase is calculated to the date the contract ceased. The cost of the remaining membership is deducted from the lump sum at retirement. If a member has left NHS employment and requested a transfer of pension rights, the remaining contract must**
be fulfilled by making a single payment or a reduction to the lump sum before calculation of the transfer value.

**Q Is the Surviving Partner Pension index linked?**

A Yes, it increases annually to take account of the cost of living.

**Q Is it payable for life?**

A Yes, regardless of whether the beneficiary remarries, forms a civil partnership or lives with someone else as a non-legal partner.