

NHS Pensions – Adult dependant’s pension – Death in membership factsheet

A member is automatically covered by the Scheme’s life assurance benefits from the day they join. An adult dependant’s pension is payable when a member dies whilst still a member of the scheme, or they are still employed but are no longer required to make contributions.

A surviving partner can be:

- a legal spouse
- a registered civil partner
- a qualifying scheme partner (introduced from 1 April 2008)

Initial/limited adult dependant’s pension

When a member dies in pensionable employment and leaves a surviving partner with entitlement to an adult dependant’s pension, an initial/limited adult dependant’s pension is payable.

An initial/limited adult dependant’s pension is paid for a period of six months starting on the day after the member died. The amount payable depends on the member’s employment type, for example whether they are an officer or practitioner. The payment details are recorded on the death in service notification form which is sent to NHS Pensions.

NHS Pensions will pay an initial/limited adult dependant’s pension if the member was legally married, in a registered civil partnership or was survived by a qualifying scheme partner (after 1 April 2008).

The payment details are recorded on the death in service notification form which is sent to NHS Pensions.

The Scheme regulations were amended to provide for a qualifying scheme partner to receive an adult dependant’s pension from 1 April 2008. If the member has pensionable service on or after 1 April 2008, whether they made a partner nomination on form PN1, or

not, NHS Pensions will pay the initial/limited adult dependant's pension to the scheme partner if the following qualifying conditions can be satisfied. Eligibility is confirmed at the date of death.

Qualifying conditions

For a continuous period of at least two years ending with the member's death, both the member and the partner:

- are living together in the same household as if they were married or civil partners
- are free to marry or enter into a civil partnership
- are financially interdependent or the partner is financially dependent on the member
- neither is living with someone else as if they were married or in a civil partnership.

How to establish the rate for the Initial/limited adult dependant's pension

In order for NHS Pensions to pay the initial/limited adult dependant's pension, you are required to confirm the rate on the death in service notification form.

The adult dependant's pension is paid at the same rate of pensionable pay the member was receiving on the date of their death **unless** they were absent on NIL or reduced pay. Please refer to the adult dependant's section of our employer technical guidance section on the employer hub for factsheets and flowcharts on how to determine the actual rate.

Continuing adult dependant's pensions

If a member has at least two years qualifying membership when they die a continuing adult dependant's pension is payable.

The continuing pension is based on either:

- the pension the member would have received if they had become entitled to a tier 2 ill health pension, on the date of death if this was before their normal pension age, or
- the pension the member would have received if they had retired on age grounds, if their date of death is after their normal pension age

If a member has less than two years qualifying membership when they die a continuing adult dependant's pension may not be payable.

The continuing pension is only paid if:

- the member dies after attaining their normal pension age and is based on the member's accrued annual pension.

A continuing pension is not payable if:

- the the member dies before their normal pension age, but the spouse / civil partner, but not a qualifying Scheme partner, may inherit a Guaranteed Minimum Pension (GMP).

Normal pension age is:

- Age 60 for 1995 section member
- Age 65 for 2008 section member
- State pension age (SPA) or age 65 whichever is later for 2015 scheme member

The payable date for the continuing adult dependant's pension

The continuing pension will be paid from the day after the initial adult dependant's pension, that we are paying, ends. If the member dies on or after 1 April 2008 and has pensionable membership on or after 1 April 2008 this is six months after the members death. We will pay the continuing pension as soon as possible to the eligible spouse / civil partner/ qualifying scheme partner. They should contact us with any queries about the payment of the continuing pension. We can be contacted by telephone on 0345 121 2522. They can also email us at nhsbsa.pensionsmember@nhsbsa.nhs.uk

The continuing adult dependant's pension will be converted into a lump sum payment if it is small

If the continuing adult dependant's pension is less than £260 a year, it may be converted to a lump sum (known as trivial commutation) even if there is at least one dependant child who is eligible for a children's pension at the time of death.

Where the continuing pension is £260 a year or more, the pension is automatically authorised as a monthly pension. Surviving partners are not given the option to commute small pensions over £260 when they claim, but we will consider a written request to do so either at the point of claim or post payment.

HMRC only allow this if the gross trivial commutation amount does not exceed the current commutation limit of £30,000.00* (£18,000.00 for a lump sum paid before 6 April 2015). This is the maximum amount in **each** NHS Scheme, not the maximum across all pension schemes. The £30,000 is gross before taxation. HMRC can change this limit at any time.

The amount payable is subject to PAYE.

Important: If the surviving adult is the qualifying scheme partner of a member, the continuing pension will not include any membership prior to 6 April 1988.

The change will apply in respect of members with scheme membership on or after 1 April 2008 (the date when the provision for nominated partners was brought in for the purposes of the NHS Pension Scheme).

Lump sum

The benefits payable to a scheme partner if they meet the qualifying conditions

Once all qualifying conditions are met an adult dependant's pension is payable to a qualifying scheme partner, including the initial/limited adult dependant's pension. They will also receive the lump sum on death unless the member had nominated someone else to receive it on form DB2.

The benefits payable to a scheme partner if they do not meet the qualifying conditions

If the member's partner is not entitled to receive an adult dependant's pension, the lump sum on death will be paid to:

- a legal spouse / registered civil partner
- the Legal Personal Representative on production of a Grant of Probate or Letters of Administration
- a death benefit nominee.

Tax

Adult dependant's pensions (including commuted adult dependant's pensions) are subject to tax. HMRC tells us how much tax to deduct by providing us with the tax code to use.

Index linked benefits

Cost of living increases will be added to the adult dependant's pension each year as they become due.

Remarriage, civil partnership or cohabitation

If a member of the 1995 Section has scheme membership on or after 1 April 2008 an adult dependant's pension is paid for life and does not stop if the surviving partner marries, enters into a civil partnership or lives with a partner as if married or in a civil partnership.

If a member does not have scheme membership on or after 1 April 2008 an adult dependant's pension will normally end if the surviving partner marries, enters into a civil partnership or lives with a partner as if married or in a civil partnership.

Completing the death in service notification form

When a member of the Scheme dies whilst still a member of the scheme, or they are still employed but no longer required to make contributions, the necessary claim forms will be issued by NHS Pensions but only once we have received a completed death in service notification form from the members employer.

This form can be downloaded from the website at www.nhsbsa.nhs.uk/nhs-pensions

When completing the form:

- Ensure that the members date of birth has been verified on Pensions Online (POL), but if not we will request sight of the member's original birth certificate when we issue the necessary claim forms.
- Close the members record down on POL to include any paid notice or outstanding annual leave entitlement using exit code 14. If there is no paid notice/outstanding annual leave, then close the record down on the date of death using exit code 14.

Please ensure the information provided on the termination form includes contributions, total pensionable pay (TPP), additional voluntary contributions (AVC), employer pay and hours worked etc for this paid notice/outstanding annual leave. The paid notice/annual leave information will be included in the calculation of benefits. Remember to record any disallowed days for no pay sick.

- Complete the death in service notification form. If the member had outstanding annual leave it should be included in the pay period. If there are any other membership details such as disallowed days and / or paid notice these should be noted on the form.
- Remember to complete details of the initial/limited dependant's pension. We will put this into payment for any valid claim.
- Sign, date and stamp the declaration.
- Submit the completed death in service notification form to NHS Pensions following the instructions on the notification form.

Confirmation of the name of the personal representative on the death in service notification form

It is an HMRC requirement that we inform the personal representative of the amount of lump sum on death paid when a member dies and the percentage of the standard lifetime allowance used.

In some cases, the spouse / civil partner / scheme partner is the personal representative but in others it is the person(s) who is legally entitled to administer the late member's estate.

There does not need to be a formal appointment made, but we need something in writing so that we can fulfil our obligation to HMRC.

Important note for bank nurses / bank workers and freelance GP locums

A bank nurse / bank worker or a freelance GP locum is regarded as being in NHS pensionable employment if they are at work and paying employee contributions into the Scheme. A bank nurse / bank worker or freelance GP locum who is available for work but who is not actually at work when they die is not covered for 'death in service' benefits.

For example, if they are contracted to work 9am to 5pm, Monday, Tuesday, and Wednesday then they are covered for 'death in service' benefits upon joining the Scheme from 9am Monday until midnight on Wednesday. But, if they were to die on the Thursday, regardless of whether they were due to return to work the following Monday, they would not be regarded as being in pensionable employment and not eligible for 'death in service' benefits.

Instead, the Scheme would pay death benefits as if they had died within 12 months of leaving pensionable employment meaning no initial adult dependant's pension is payable.

NHS Pensions will not pay an initial/limited adult dependant's pension until it is determined what category of benefits are payable.

Therefore if the member was a bank nurse / bank worker or freelance GP locum we will not pay an initial adult dependant's pension until we have requested and received specific information from yourselves.

What you need to do if a member of the Scheme died recently and benefits are in payment, but your payroll department has advised of extra pensionable pay

You should notify us as soon as you can of any revised contributions, pensionable pay figures and any changes such as extra hours worked or additional outstanding annual leave via POL, ESR (using an SD55E).

If you are a non-POL employer guidance on how to do this is available on our website at www.nhsbsa.nhs.uk/employer. We will then revise the benefits accordingly.