

# Factsheet 9 life cover



This factsheet explains what happens to your Local Government Pension Scheme benefits if you die:

- Before you retire
- After you retire
- After leaving work but before you are entitled to pension benefits, or
- As a pension Credit Member.

### What benefits are payable?

When you die, some or all of the following benefits may become payable.

- death grant
- spouse's pension or civil or nominated partner's pension
- children's pensions.

These benefits increase in payment in line with the cost of living and, increase between your last day of membership and the commencement of payment.

### What if I were still in employment?

If you die whilst still an active member, we will pay a tax-free lump sum death grant of 3x your annual pensionable pay. Your LGPS administering authority retains complete discretion over which eligible beneficiary the benefit is paid to, although full consideration will be taken of any wishes you express on a nomination form.

If you leave an eligible partner, a survivor's pension is payable and is calculated as:

Your membership (as if you had worked to age 65) x final pay x 1/160

### What if I had Deferred Benefits?

If you die before your deferred benefits are due for payment, a death grant will be paid. Your LGPS administering authority retains complete discretion over which eligible beneficiary the benefit is paid to, although full consideration will be taken of any wishes you express on a nomination form. The amount of death grant will not be less than three times your prospective pension and may be higher. We will also pay a long term pension to your legal spouse, civil or nominated partner, based on the length of your scheme membership up to the date when you finished work. This pension is payable from the date of your death and is calculated as:

Your membership x final pay x 1/160

### What if I had retired?

Since April 1998 retirement pensions have been guaranteed for 5 years. From 1st April 2008 this increased to 10 years. This means that if you die within 10 years (5 years for pre April 2008 retirements) of retiring, and before reaching age 75, we will pay a death grant of 10 years pension (5 years for pre April 2008 retirements) less the pension payments you have already received.

Your LGPS administering authority retains complete discretion over which eligible beneficiary the benefit is paid to, although full consideration will be taken of any wishes you express on a nomination form.

If you retired before 1 April 2008 we will also pay your full pension to your legal husband, wife or civil partner for between three and six months after your death, depending on individual circumstances. This is followed by a long-term pension of approximately half of that amount.

If you retired on or after 1 April 2008 a long term pension is paid immediately. In this case the pension may also be paid to a nominated co-habiting partner. A long term pension would be calculated as:

Your membership x final pay x 1/160

Please note that in all of the above circumstances long term pensions are increased annually by reference to the annual Pensions Increase Order and are payable for life.

In either of the following cases the pension will be based only on your membership after 6 April 1988.

- You have a nominated partner
- You are a woman and had not elected before April 1998 to count pre 6 April 1988 membership towards a widower's pension.

### **How are children defined?**

The pension scheme defines a child as your son, daughter, dependant or adopted child who, at the time of your death, is:

- Under 18
- Between 18 and 23 – as long as they have been in continuous full-time education or training for a trade, profession or vocation since the age of 18
- Over 18 – if, before your death, they were dependant by reason of mental or physical incapacity.

### **What benefits are payable to my children?**

If you retired prior to 1st April 2008 and you have no husband, wife or civil partner who has care of the child, your child will receive a short term pension for six months.

Please note that no short term pension is payable to children if you die in service on or after 1st April 2008 or die with deferred benefits at any time.

Your child will receive a long-term pension calculated as a fraction of your own entitlement, for as long as they continue to meet the scheme's definition of a child. For example, should you die in service with two or more eligible children and a spouse's or partner's pension is payable, it is calculated as your membership at age 65 x final pay x 1/160 divided in equal shares between the eligible children.

### **What benefits are payable in the event of the death of a pension credit member?**

A pension credit member is the ex-husband, wife or civil partner of a scheme member who has been awarded some of the member's pension benefits through a Pension Sharing Order following divorce or dissolution of a civil partnership.

If a pension credit member dies either before their pension benefits are due or when they are in payment, we will pay a death grant. Your LGPS administering authority retains complete discretion over which eligible beneficiary the benefit is paid to, although full consideration will be taken of any wishes you express on a nomination form.

### **How do I nominate a beneficiary or beneficiaries for receipt of a death grant, or a nominated co-habiting partner?**

Simply by completing a nomination form, available on request. To nominate a co-habiting partner you must for at least two years have been

- Financially dependent or interdependent
- Free to marry or form a civil partnership with each other
- Living together as man and wife / civil partners

Please note: this fact sheet is intended as a broad guide to your benefits in the Local Government Pension Scheme. It does not seek to cater for every different circumstance and no decisions should be taken based on its contents. You are strongly advised to consult our website and/or contact us for more detailed and individual information before taking any action in relation to your pension. Nothing in this fact sheet overrides the regulations which govern the LGPS and which are subject to amendment from time to time.