

NHS Pensions - Death on pension

If you are informed that a Scheme pensioner has died, please ask the informant to write to us.

Overview - Benefits payable when a pensioner dies

If a Scheme pensioner dies within five years of retirement, a lump sum on death may be payable.

Lump sum on death benefit

The amount payable will depend on the total amount of retirement benefits the member has received from the Scheme up to the date of death. Sometimes the Scheme's liability may have already been met, for example, if the member chose to exchange some of their pension to receive a bigger lump sum / lump sum when they retired.

The lump sum on death is equal to the lesser of:

- five times the yearly rate of the pension in payment on the member's death (excluding any additional pension), less the amount of pension already paid (excluding any additional pension), **or**
- the lump sum on death that would have been payable had the member died on the last day of pensionable employment as an active member less any lump sum already paid

Dependant's benefits

Where the member marries, forms a civil partnership or has a qualifying Scheme partner **before** leaving pensionable employment, we will pay an initial adult dependant's pension to any surviving partner for three months, six months if there is at least one dependent child.

This pension will be paid from the day after the date of death, and is equal to the pension the member was receiving at the day they died (including additional pension).

This will be followed by a continuing adult dependant's pension, equal to the appropriate fraction of the member's pension.

- (i) Where the member marries, forms a civil partnership, or has a qualifying Scheme partner **after** leaving pensionable employment, we will still pay an initial adult dependant's pension to any surviving partner as described above, however the continuing adult dependant's pension will be calculated in a different way (see below) Surviving spouse/civil partner based on pensionable service from 6 April 1978
- (ii) Qualifying Scheme partner based on pensionable service from 6 April 1988

Any members who have made unnecessary additional contributions to increase survivor benefits will be identified and their position rectified.

If there are dependent children a children's pension may also be payable.

What happens when NHS Pensions are informed of the death of a Scheme pensioner?

When informed of the death of a Scheme pensioner, we may send a claim form to the informant for the adult dependant's pension to be claimed.

We will update our records accordingly and check if a lump sum on death payment is due.

If a lump sum on death is due, we may write to the informant for the name and address of the personal representative.

Any lump sum on death 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.

We will pay the lump sum on death and notify the personal representative of the amount of Lifetime Allowance used. It is the responsibility of NHS Pensions to inform the claimant if any additional documentation is required before the lump sum on death is paid for example, Grant of Probate / Letters of Administration.

We will check the member's record to see if there were any children who were dependent upon the member when they left pensionable employment, and if necessary, will issue a children's pension application form. When the completed claim form and all necessary papers are returned, we will consider the claimant's eligibility to receive a children's pension.

If the member marries, forms a civil partnership, or has a qualifying Scheme partner after they left pensionable employment, NHS Pensions will issue the necessary claim form. When the completed form and necessary papers are returned, we will consider the claimant's eligibility to receive an adult dependant's pension.

If the continuing adult dependant's pension is less than £260 a year, we will automatically convert it to a one-off lump sum (known as trivial commutation) and pay this.

Where a continuing adult dependant's pension is £260 a year or more, it will be paid as a monthly pension, unless the surviving partner asks for the continuing pension to be trivially commuted. NHS Pensions will currently consider a written request, provided certain conditions are met. HMRC rules only allow a pension to be commuted in these circumstances if the gross lump sum does not exceed the current commutation limit of £30,000. This amount can change at any time.

Where the request is made after the pension is in payment the recipient must agree to offset any pension already paid to them against any lump sum due.

An adult dependant's pension can be paid as a trivial commutation lump sum even where there is at least one child eligible for a children's pension at the date of death.

NHS Pensions contact details:

NHS Pensions
PO BOX 2268
Bolton
BL6 9JR

Telephone number is 0845 1212 522.

If you live outside the United Kingdom the telephone number is 0044 191 283 0303.