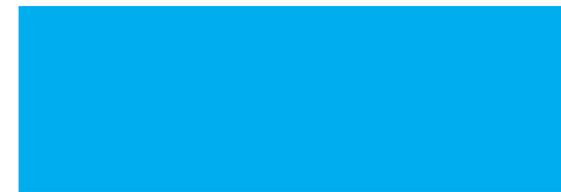


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# Dealing with Bereavements



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# Introductions

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# Workshop Agenda

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We'll walk through:

- what needs to be considered under the regulations
  - member status
- the types of benefits available
  - lump sums, family benefits pensions
- who can receive them
  - the nature of any relationships
- how much?
- the application process
- other options available: serious ill-health commutation

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## Death Benefits - what determines the type of benefits paid?

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The Teachers' Pensions Scheme provides death benefits in accordance with a member's:

- age at death
- normal pension age
- average salary (final salary)
- annual rate of pensionable earnings (career average)
- status in the scheme

The type of benefits depend upon the member's circumstances . Are they:

- in service, i.e. in pensionable service?
- out of service , i.e. not in pensionable service / deferred?
- re-employed after retirement?
- in serious ill-health?
- not qualified for benefits?
- a pensioner?

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# Death Benefits - Lump sum and pensions

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The benefits paid out in the event of the death of a member consist of 2 types:

1. A death grant one-off payment

There are four types of death grant payment

- an in-service death grant
- an out-of-service death grant
- supplementary death grant
- refund of contributions plus interest

2. A survivors pension

There are two types of pensions

- a short-term pension payable for 3 months after the death of the in-service (qualified) member or pensioner
- a long-term pension after three months, with ongoing monthly payments while the entitlement conditions continue to be met

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# Death Benefits - who can receive a death grant?

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It is dependent upon the individual circumstances of the member:

1. If they are married, in a civil partnership, or have a qualifying partner:
  - a death grant nomination isn't required
  - the surviving adult partner will automatically receive any death grant payable
  - but if a death grant nomination is in place, that will take precedence
2. If they are not married, in a civil partnership, have a qualifying partner or simply wish for a death grant to be paid to someone else:
  - a Death Grant Nomination must be completed
  - it remains in effect until it is revoked or updated
  - it must be to an individual or individuals
3. If there is neither a qualifying surviving adult or nominee, any death grant will be paid to the member's estate

# Death Benefits - death grant calculation

Depending on the circumstances, the death grant will be one of:

	Final Salary normal pension age 60 arrangement	Final salary normal pension age 65 arrangement	Career average arrangement
Death in service	3 x final average salary	3 x final average salary	3 x annual rate of pensionable earnings (FTE)
Death out of service	3/80 <sup>th</sup> of the final average salary for every year of service	3/80 <sup>th</sup> of the final average salary for every year of service	2.25 x pension accrued
Pensioner - supplementary death grant	5 x annual pension at date of death minus pension already paid	5 x annual pension at date of death minus pension already paid	5 x annual pension at date of death minus pension already paid

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## Death benefits - who can receive a survivor's pension?

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Eligible beneficiaries are:

- a member's spouse or civil partner
- a qualifying partner
  - provided they would have been able to marry or enter into a civil partnership, lived together for at least 2 years and be able to show they are financially interdependent
- dependent children
  - up to age 17, or up to age 23 if they are in full-time education
  - if fully incapacitated and not wholly maintained by the State, a child pension will continue to be paid beyond age 23
- a financially dependent surviving nominated beneficiary

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# Family Benefits – which years of service count?

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- Survivor of same-sex marriage or civil-partnership
  - service from 1 April 1972 (or 6 April 1978 if marriage/civil partnership took place after leaving service)
- Female survivor of opposite sex marriage
  - service from 1 April 1972 (or 6 April 1978 if marriage / civil partnership took place after leaving service)
- Male survivor of opposite sex marriage
  - service from 1 April 1988
- Qualifying partner
  - service from 1 January 2007
- Child's pension
  - service from 1 April 1972

# Family benefits

How a member's Family Benefit is calculated

	NPA 60 Arrangement	NPA 65 Arrangement	Career Average Arrangement
In Service	1/160 for each year of Family Benefit service + relevant enhancement	1/160 for each year of Family Benefit service + relevant enhancement	37.5% of accrued pension + relevant enhancement
Out Of Service	1/160 for each year of Family Benefit service	1/160 for each year of Family Benefit service	37.5% of accrued pension
1 child	1/320 for each year of Family Benefit service + relevant enhancement if applicable	1/320 for each year of Family Benefit service + relevant enhancement if applicable	18.75% of accrued pension + relevant enhancement If applicable
2 or more children	1/160 for each year of Family Benefit service + relevant enhancement If applicable divided between the children	1/160 for each year of Family Benefit service + relevant enhancement If applicable divided between the children	37.5% of accrued pension + relevant enhancement If applicable divided between the children

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# Bereavement - death benefits application process

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The process for applying for death benefits is:

- Notification to Teachers' Pensions
- Bereavement pack returned
- Employer completes form 22a (if death is within 12 months of last day of service)
- Teachers' Pensions establishes the benefits entitlement
- Benefits are put into payment

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# Serious ill-health commutation

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Entitlement to serious ill-health commutation is dependent on:

- requesting serious ill-health commutation as part of the retirement application
- life-expectancy of <12 months

It provides for lump sum + 5 x annual pension as a one-off payment

Teachers' Pensions will, on request, provide comparison figures between different retirement and death benefits options, comparing:

- lump sums available
- member pension, with enhancement if applicable
- family benefits

# Serious ill-health commutation - example

Award Type	Benefit Structure	At Death	Survivor's pension	
Member age 45 at death, in career average from April 2015 salary of £30k	Pre-max commutation of pension: Final Salary accrued pension (18 years 243 days) = £7,000 Career average accrued pension = £5,000 + £5,789.47 ill-health enhancement (22 years to NPA)		For Spouse, Civil-Partner or Qualifying Partner	For Qualifying Children (per child)
Serious ill-health commutation	£146,545.86		£7,546.05	£3,773.03
	(Total benefits paid £146,545.86)			
Ill-health pension	£12,561.12 annual pension	£50,244.48 (assumes dies after 1 year - balance of 4 years of pension as supplementary death grant)	£7,546.05	£3,773.03
	£83,740.26 lump sum			
	(Total lump sum paid £133,984.74, plus £12,561.12 gross pension)			
Remain working and in-service up to death	N/A	£90,000 (death-in-service: £30,000 x 3)	£7,546.05	£3,773.03

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# Workshop Agenda

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We've covered:

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- how much?
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- other options available: serious ill-health commutation

Any other questions?