

classic benefits on death in service

A brief guide to the benefits available




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We have prepared this booklet to give you a brief guide to the benefits that may be available following the death of a **classic** pension scheme member.

We have tried to use as little jargon as possible. Any technical terms we have used are shown in bold and explained at the back of the booklet.



Note: The booklet does not cover every aspect of death in service benefits. The full details are contained only in the rules, which are the legal basis of the scheme. You should note that nothing in this booklet can override the rules and, in the event of any difference, the rules will apply.

Who are 'we'?

This booklet is produced by the scheme managers. However, pension records are held by the **MyCSP** Pension Service Centre on behalf of the member's employer. If you are a member, dependant of a member or **personal representative** and would like more information after you have read this booklet, please contact **MyCSP** Pension Service Centre.

What do we mean by 'benefits'?

Classic provides death benefits in the form of:

- a lump sum
- a short-term pension
- a continuing pension, and
- children's pensions.

Death benefit lump sum

How much is the lump sum?

The lump sum is usually equal to two years of the deceased member's **pensionable earnings**. There are exceptions for a small number of members, depending on their circumstances (for example, if a member had taken a lump sum on **partially retiring**).

Who gets the lump sum?

If the member had nominated someone to receive the death benefit lump sum, we will usually pay it to that person. If the member did not nominate anyone, we will pay the lump sum to the member's **personal representative**.

Short-term and continuing pensions

What is a short-term pension and who gets it?

We pay a short-term pension to the widow, widower, civil partner or, in some cases, the guardian of any eligible children. The amount is equivalent to the member's **pensionable earnings** and we pay it for between three and nine months. The period of the payment depends on how many eligible children there are.

What is a continuing pension and who gets it?

If the member had at least two years' service in **classic**, we will pay a continuing pension to their widow, widower or civil partner. Any continuing pension or children's pensions will not commence until the short term pension period has finished.

The continuing pension will normally be one half of an **enhanced pension**. If the member had service before 6 April 1988 the pension may be limited.

Where the continuing pension is based on an **enhanced pension**, we will reduce the lump sum to pay for the **enhancement**.

How long is the continuing pension paid for?

We pay the continuing pension for life unless the recipient remarries, enters a new civil partnership or lives with someone as husband and wife or as civil partners.

Children's pensions

What are the conditions for claiming a children's pension?

We pay pensions for eligible children who were financially dependent on the member when he or she died.

Eligibility depends on whether the child is :

- under 17 years of age, or is
- in full-time further education or training, or is
- unable to work because of a permanent physical or mental impairment. This is decided by the scheme medical adviser. (If a child has a permanent impairment but is married or in a civil partnership, we cannot pay a pension.)

What is the level of children's pensions?

We work out children's pensions as a proportion of an **enhanced pension**. The level of the pension depends on the number of dependant children and whether they are in the care of a widow, widower, surviving civil partner or in the care of another person. We will pay:

- one quarter of the **enhanced pension** for each child in the care of your widow, widower or surviving civil partner*
- one third of the **enhanced pension** for each child in the care of another person*.

* Usually, we will not pay more than half of the **enhanced pension** in total as children's pension although it is higher when a continuing pension for a widow, widower, or surviving civil partner is not payable and/or when the children are in the care of another person.

Where there are more than two children who qualify for a pension we will pay an equal proportion of the limit for each eligible child.

How long are children's pensions paid for?

We will pay children's pensions for children up to age 17.

We will also pay for children over 17 and under 23 while they are in full-time education or vocational training. In these cases, we will need to see a letter from the school, college or university where they are studying, confirming the start and end dates of the course.

Where the conditions are met, we will pay a life pension for any child who has a permanent physical or mental impairment.

Your questions answered

I was neither married to, nor in a civil partnership with, my partner; am I entitled to anything?

If your partner nominated you to receive the death benefit lump sum, we will pay this to you. We cannot pay you a pension. If you had children together, we may pay a children's pension.

Following my son's death, I am now the guardian of my two grandchildren. Am I entitled to any benefits?

We may pay a short-term pension, then a children's pension for your grandchildren. We cannot pay you a continuing pension.

My husband [wife or civil partner] was paying into the Civil Service Additional Voluntary Contribution Scheme. What happens about this?

We will tell the provider that your husband has died and act as the first point of contact with them about the benefits payable.

My husband [wife or civil partner] was paying into a stakeholder pension through the Civil Service arrangements with Standard Life. What happens about this?

You should contact Standard Life on 0800 33 33 04. They will advise you about benefits due under the scheme following individual arrangements your husband made.

My husband [wife or civil partner] took partial retirement. Are the lump sum and pension benefits affected?

The death benefit lump sum will be worked out as the better of the lump sum 'guarantee' payable on death soon after retirement and the death in service lump sum. The calculations will take into account the pension and lump sum that the member has already received.

Any continuing pension will be a combination of 50% of the member's **partial retirement** pension plus 50% of the pension they had built up but not yet taken. There will be no **enhancement** to the member's service.

Are pensions in payment increased every year in line with the cost of living?

When there is an increase in the cost of living, yes.

Will you continue to pay my widow's [widower's or civil partner's] pension if I move abroad?

Yes.

I am pregnant. Can I claim a pension for my unborn child?

As long as the conditions for receiving a child's pension are met, then yes. You will need to bear in mind that we have to take account of all eligible children against the financial limit.

I'm too young to be retired myself. What happens if I'm not a pensioner and still earning?

If you are entitled, we will pay you the lump sum and/or a pension.

I, too, am a civil servant - does this make any difference?

No. If you are entitled, we will pay you the lump sum and/or a pension.

My husband [wife or civil partner] was divorced from a previous marriage [civil partnership]. Are the benefits affected?

A court may, at the time of a divorce or dissolution, make special attachment orders (called 'earmarking' orders) against benefits under a pension scheme. This may include paying some or all of the death benefit lump sum to the former spouse or civil partner. We will pay any balance that may be due to the nominee or (in the absence of a valid nomination) to the member's **personal representative**.

Is it possible to claim a refund of Widow's (er's) Pension Scheme (WPS) contributions?

The personal representative may request a refund of WPS contributions if the member's marital status was unmarried.

What about tax?

Please see our booklet 'Death benefits and tax – a guide for personal representatives'. This booklet is available to download on the Civil Service pensions web site: www.civilservicepensionscheme.org.uk.

What happens now?

How quickly are benefits paid?

We give priority to paying death benefit lump sums, and will aim to pay them within one week of receiving the death certificate and any other evidence or information we have asked for. We will ask the executor or **personal representative** to complete a pensions claim form and to provide any other relevant documentation so that we can then work out and arrange for payment any pension benefits that may be due. We cannot process any benefits without this form and supporting documentation.

How are the benefits paid?

The lump sum is paid into the bank or building society account of the nominated beneficiary.

The pension is paid into your bank account or building society if you are the widow, widower or civil partner of the deceased member. We normally authorise payment of children's pensions in to the bank or building society account of the child's parent or guardian. Alternatively, a pension may be paid into an account in the name of the child.

The lump sum and pensions are paid by MyCSP. Appendix A tells you about how the payment process works and gives the contact details for MyCSP.

If a pension is to be paid directly into the bank account of a child, you will need to give MyCSP the account details when you return the pensions claim form.

Please note that if you want a pension paid into a bank in the Irish Republic or overseas, you will need to contact MyCSP to discuss.

MyCSP cannot pay a pension direct to an account with the National Savings Bank.

What if I have a query about my pension once it is in payment?

MyCSP will deal with any queries you may have about your pension. (Their contact details are in Appendix A.) They will give you a unique Pension Reference number when they first write to you. Please quote that number should you need to contact them for any reason.

We suggest you make a note of your number here, when you get it and keep this booklet for reference:

You must let MyCSP know if your circumstances change, for example, if

- you move address
- wish to change your bank details
- any of your children reach the age of 17 or are aged 17 or over and leave full-time education or vocational training
- the end date of any full-time education or in vocational training that any of your children aged 17 or over are undertaking, changes
- if any child who is in full-time education or in vocational training reaches the age of 23.

Technical terms

Enhancement/enhanced pension is an increase applied to a member's pension if they retire due to ill health. (We use this level of pension when working out benefits for widows, widowers, civil partners and children.)

MyCSP is the organisation that holds your pension records and administers your pension on your employer's behalf, including working out and arranging pension payments.

Partial retirement/retiring Partial retirement allows members who are approaching, or are over scheme pension age, to reshape their job and take some or all of their pension while they carry on working. Conditions apply, and job reshaping must be approved by the employer.

Pension age is the earliest age at which a member can receive payment of their pension without it being reduced.

Pensionable earnings is the amount of earnings used to work out pension benefits. If the member worked part-time, it is the actual part time earnings that are used.

Personal representative is the person who has the power to dispose of the deceased member's estate. This can be more than one person. If the member left a will when they died, the personal representative(s) will be the executor(s). If the member died without leaving a will, the personal representative(s) will be named in the Letters of Administration (Confirmation of Executor in Scotland) which you or your solicitor can apply for.

Appendix A

Payment process

MyCSP will pay the pension monthly, in arrears. They will tell you what the monthly payment date will be, either before or with the first payment of the pension. When a payment date falls on a weekend or an English bank holiday, the payment date will be the preceding working day.

The amount due for part of a month is worked out proportionately according to the number of days in the full pension month.

MyCSP will not send you a monthly payment advice note; they will only send you an advice note when the amount of your pension or your tax code changes. The note will show the monthly gross amount payable and the tax that will be deducted from next month's payment. The net amount may vary slightly due to the effect of the PAYE tax tables.

MyCSP contact details are:

MyCSP

PO Box 2017

Liverpool

L69 2BU

Telephone 0300 123 6666

Email contactcentre@mycsp.co.uk

What about income tax?

Pensions are assessed as earned income. MyCSP will deduct income tax using the tax code notified by HM Revenue & Customs. The deduction may be provisional until MyCSP receives the proper code.

MyCSP has no part in deciding your tax liability or code so you should direct any enquiry about your tax code to:

Civil Service Pensions

HMRC

Customer Operations PO 4000 Cardiff

CF14 8HR

Telephone: 0845 300 0627

MyCSP will send you a P60 form each year to show the amount of pension paid and tax deducted in the previous tax year.



