



## Death in service

The Local Government Pension Scheme (LGPS) provides protection for a member's loved ones in the event of death in service.

### Death Grant

If your employee dies when they are still paying into the LGPS, a lump sum death grant of three times their assumed pensionable pay is paid. It does not matter how long they have been a member of the LGPS, provided they are under age 75 at the date of death.

If they also have a deferred benefit and/or a pension in payment from a previous period of membership of the LGPS, the lump sum death grant paid is the greater of:

- the total of any lump sum death grants payable from the deferred and/or pensions in payment
- three times their assumed pensionable pay at the date they die

Where an independent registered medical practitioner certifies that, during the period used to determine assumed pensionable pay, they were working reduced contractual hours because of the ill-health which led to death in service, the assumed pensionable pay is calculated on the pay they would have received during that period had they not been working reduced contractual hours.

If they paid Additional Voluntary Contributions (AVCs) arranged through the LGPS, the value of their AVC fund is also payable.

## Survivors Pensions

The LGPS provides a pension for a spouse/civil partner/eligible cohabiting partner\*. Your eligible children will receive part of your pension when you die too. The amount paid will depend on how many eligible children\*\* you have and whether a pension is also being paid to your partner.

Generally, this is:

- 30.625% of the pension they built up from April 2014
- 37.50% of the pension they built up between April 2008 and March 2014
- 50% of the pension they built up before April 2008.

If they die in service, the pension will include a part of the increase they would have received if they had retired on ill-health. Some parts of their pension are not counted. This includes additional pension bought by paying additional pension contributions. If they were in the 50/50 section, this does not affect the value of the survivor's pension.

Some of the rules are quite complex so we suggest [contacting us](#) for further information.

## How do we decide who is paid benefits on death in service?

Members can let their pension fund know who they would like any death grant paid to by:

- completing an [expression of wish form](#), or
- by nominating beneficiaries via '[My pension](#)' the member self-service system

East Sussex Pension Fund will take their wishes into account when deciding who the death grant is paid to.

However, it is important to understand that East Sussex Pension Fund has absolute discretion over who receives any lump sum death grant. This means it can be paid to:

- the person(s) named on an expression of wish form.
- personal representative(s) – this is someone with responsibility for looking after the estate after the member's death.
- anyone who appears to have been, at any time, a relative or dependent.

## Employer's role after notification of death

You need to complete the [LGPS10A Form - Notification of death in service](#) and forward it to [us as soon as possible](#). If there is likely to be a delay in providing some of the information requested, please send what details you have and follow with the full details when available.

On receipt of this information, we will write to the next of kin requesting sight of the death certificate and a copy of the Will and any other documentation we require.

### **\*Eligible cohabiting partner**

An eligible cohabiting partner is a partner the member is living with who, at the date of their death, has met all these conditions for a continuous period of at least two years:

- the member and their cohabiting partner are, and have been, free to marry each other or enter into a civil partnership with each other, and
- the member and their cohabiting partner have been living together as if they were a married couple or civil partners, and
- neither the member nor their cohabiting partner has been living with someone else as if they were a married couple or civil partners, and
- either their cohabiting partner is and has been dependent on the member, or the member is and have been financially interdependent on each other.

A partner is financially dependent on the member if the member has the highest income. Financially interdependent means that the member relies on having joint finances to support their standard of living. It doesn't mean that each person needs to be contributing equally. For example, if a partner's income is more than the members, he or she may pay the mortgage and most of the bills and the member may pay for the weekly shopping.

When the member dies, a survivor's pension would be paid to a cohabiting partner if:

- all of the above conditions were met on the date of death, and
- the cohabiting partner satisfies the pension fund that these conditions had been met for a continuous period of two years immediately before the member's death.

A pension will only be paid to an eligible cohabiting partner if a member paid into the LGPS after 31 March 2008.

Members can provide their cohabiting partner's details to your pension fund by completing the following form:

[LGPS NCPI - Declaration of Cohabiting Partner details for survivor's pension \(eastsussexpensionfund.org\)](#) Editable version [here](#)

### **\*\*Definition of eligible children**

An eligible child is:

- a natural child born before, on or within 12 months of a member's death
- an adopted child born before or on the date of the member's death
- a step-child or a child accepted by the deceased member as a member of the family who was dependent on the member at the date of death.

A child sponsored by the member through a registered charity is not an eligible child.

An eligible child must also be:

- under age 18, or

- aged under 23 and in full-time education or vocation training. Your pension fund can continue to treat a child as an eligible child even if there has been a break in full-time or vocational training, or
- under age 23 and unable to engage in gainful employment because of physical or mental impairment, or
- over age 23, unable to engage in gainful employment because of permanent physical or mental impairment and the child was dependent on the member at the date of death because of that impairment. An independent registered medical practitioner must give their opinion on whether the impairment is likely to be permanent.

Gainful employment means paid employment for at least 30 hours per week that lasts for at least a year.

## More information on Death in service

Further information can be found on:

- LGPS brief guide (pages 27) – [LGPS brief guide](#)
- LGPS frequently asked questions – [After you die](#)
- Survivor benefits – [East Sussex Pension Fund website](#)

## Further support

Email: [employer.engagement@eastsussex.gov.uk](mailto:employer.engagement@eastsussex.gov.uk)

This factsheet is one of a series put together by East Sussex Pension Fund to help support employers with processing key tasks.



**Employer Toolkit...**

Pointing you in the right direction

You can view the full employer toolkit at:

<https://www.eastsussexpensionfund.org/about-the-scheme/employers/employer-toolkit/>