

## Local Government Pension Scheme (LGPS)

### Death Grant - Expression of Wish

While you are a member of the Local Government Pension Scheme (LGPS) you can have peace of mind in knowing that if you should die, Cheshire Pension Fund will pay out comprehensive benefits to your nominated beneficiaries.

**Active Members:** From the first day you join the Scheme you have valuable life cover. If you were to die in service, there would be a lump sum death grant equal to three times your actual pay, payable to your nominees or personal representatives. Under Scheme regulations you can make an expression of wish as to who you want to receive this benefit.

**Deferred Members:** If you left the LGPS on or after 1 April 2008 and have deferred your benefits in the Cheshire Pension Fund, but die before those benefits become payable, a death grant equal to five times the value of your deferred pension plus any pensions increase due since leaving the Scheme, will be paid as a lump sum death grant. If you left the LGPS before 1 April 2008 but you die before those benefits are payable, a death grant equal to the value of your lump sum, plus inflationary increases accrued since leaving the Scheme.

**Pensioners:** Once you have retired, the lump sum death grant is dependent on when you left the pension scheme. No death grant would be payable in respect of a member who dies on or after their 75th birthday. If you left on or after 1 April 2008 and before 1 April 2014, and you die within ten years of retirement (providing this is before the age of 75) it is ten times the annual pension in payment, less the amount of pension already paid to you.

If you retired on or after 1 April 2014 and took the standard benefits (e.g. did not increase your retirement grant by giving up pension) the calculation is the same as above, ten times the annual pension in payment, less the amount of pension already paid to you.

If you retired on or after 1 April 2014 and commuted part of your pension to increase your retirement grant the calculation is slightly more complex. The Death Grant will be calculated in two parts, pre 2014 and post 2014 death grant. The Pre 2014 death grant is simply calculated as ten times the annual pension, accrued prior to 1 April 2014, in payment, less the amount of pension already paid to you. The Post 2014 death grant is calculated as ten times of pension accrued on or after 1 April 2014 prior to commutation, then reduced by the notional pre commutation pension paid and also by the retirement grant derived from the pension given up. The two portions are added to give the final death grant payment.

If you retired before 1 April 2008 the death grant is no longer applicable.

If you require any further information, please contact us using the details below.

t: 01244 976000 e: [pensions@cheshirewestandchester.gov.uk](mailto:pensions@cheshirewestandchester.gov.uk) w: [www.cheshirepensionfund.org](http://www.cheshirepensionfund.org)

a: Cheshire Pension Fund, Cheshire West and Chester Council, Council Offices, 4 Civic Way, Ellesmere Port, CH65 0BE

## Who can I choose to receive my death grant?

You can choose one person, a number of people or even an organisation like a charity. You can choose your husband, wife or partner, your children or any other family member or friend, it's your choice. However, please remember that the Administering Authority has absolute discretion when making payment of the death grant and will try hard to honour your wishes, but in certain circumstances this may not be possible so it is important for you to consider those who may have a legal right to claim a benefit.

You can nominate as many beneficiaries as you like to receive a proportion of the benefit but when you allocate the split, the total must not exceed 100% and you must tell us what percentage you would like each beneficiary to receive. Please note that we cannot record 'in the event of nominations' i.e. you cannot nominate an alternative beneficiary in the event of your main beneficiary's death. If this happens you must make a new expression of wish.

You can make provisions in your will and update your nominations as changes occur, but in the event of any dispute, the administering authority, Cheshire West and Chester Council retains absolute discretion as to the payment of the lump sum death grant.

## Can I choose who receives my pension benefits?

As a member of the LGPS, your dependants automatically qualify for part of your pension in the event of your death. If you are married, your husband or wife qualifies for a survivor's pension. If you have registered a civil partnership, your civil partner will qualify for a survivor's pension.

If you leave dependent children, they will also qualify for a pension for as long as they remain eligible.

From 1 April 2008 the LGPS regulations introduced partners' pensions for the first time and it is now possible for a cohabiting partner to receive a survivor's pension in the event of your death. If you do wish to tell the fund about your cohabiting partner you can complete a separate Cohabiting Partner's Nomination Form. If you left on or after 1 April 2008 a nomination is not required for a partner to be eligible as long as the qualifying criteria are met.

## Can I change my expression of wish at any time?

Yes, you can also cancel it at anytime. We recommend that you consider amending your form if:

- Your circumstances have changed
- You become divorced or dissolve a civil partnership
- The person you have previously nominated dies
- It becomes impractical to make payment to your chosen beneficiary (such as a charity that no longer exists)

If you are unsure whether or not you have already completed an expression of wish form, please contact us and we will be able to tell you. You can also check who your nominees are every year when we send you your Annual Benefit Statement as they are recorded on it.

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## Why should I complete a Death Grant Expression of Wish Form?

Whilst there is no legal requirement for you to complete a Death Grant Expression of Wish Form, there are two main reasons why it is advantageous:

- 1) If you do not complete one, any death grant payable may be paid to your legal beneficiary. Whilst this may be the same person or persons that you wish to receive your death grant, payments made in this way may be subject to inheritance tax where the total value of your estate exceeds the appropriate limit. Simply by completing this form and declaring your chosen beneficiaries, the death grant can be paid immediately to your beneficiaries and next of kin.
- 2) In the event of your death without a Death Grant Expression of Wish Form having been completed, we will need to see a Grant of Probate or Letters of Administration before releasing payment of the death grant to your estate. This can be a lengthy process and may involve your beneficiaries employing the services of a solicitor. By completing the form, the payment can be made without the need to see these legal documents.

## Disclaimer

Every care has been taken in the production of this document however readers may wish, or will need to take their own legal advice on the interpretation of any particular piece of legislation. No responsibility will be assumed by the Cheshire Pension Fund for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained herein. In the event of any dispute over your pension benefits the appropriate legislation will prevail. This guide does not confer any contractual or statutory rights and is provided for information purposes only.

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