

How to claim death benefits



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How to claim death benefits

We not only provide pension benefits to our members; we also provide benefits for their loved ones in the event of their death.

This guide provides information about the benefits payable, and answers any questions you may have following the death of a member.

For forms, publications and more information about the Civil Service Pension Scheme visit our website at: www.civilservicepensionscheme.org.uk

Making a claim

Following the notification of the member's death, we will assess the benefits due and issue relevant claim forms.

There are two claim forms:

Dependant Pension Claim Form - For all dependant claims

One-off Payment Claim Form - For all payments due to the estate or a nominee

Any claim forms received should be completed and returned with an original death certificate and original versions of any other supporting documents required.

Should additional forms be required, you can download them from the forms page of our website: www.civilservicepensionscheme.org.uk/members-forms

Important information about the Remedy

In 2015 the government introduced reforms to public service pensions and most civil servants were moved into a new scheme called 'alpha'. In 2018, the Court of Appeal found that some of the rules put in place in 2015 were discriminatory based on age. As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. This is called the Remedy. As part of the Remedy we want to ensure that affected members have a choice on the pension benefits received for service within the Remedy period, 01 April 2015 – 31 March 2022. Therefore, all affected members will be given two options, and this is called Deferred Choice Underpin (DCU).

If the late member was a member of the Civil Service Pension Scheme during the Remedy period, the benefits now payable to their beneficiaries are affected by this ruling.

Due to the Remedy, there will be a choice of benefits payable to the late member's beneficiaries from the options available. Therefore, an Eligible Decision Maker will need to be appointed by us, to make that selection, following guidelines from HM Treasury.

These options are:

Option A – Legacy Benefits

Period	Benefits
Start date to 31 st of March 2022	PCSPS
PCSPS 01 st April 2022 to last day of service/date of death	alpha

Option B – Reformed Benefits

Period	Benefits
Start date to 31 st of March 2015	PCSPS
01 st April 2015 to last day of service/date of death	alpha

For the scheme to identify who the decision maker is, we require any beneficiaries and/or legal representatives to complete the claim form(s) on the website detailed above. It is important that all eligible beneficiaries, where appropriate, complete the form(s), so that we receive all information as soon as possible, and do not delay payment of any benefits due.

Once we are in receipt of the claim form(s) and all related information, a decision maker will be selected by the scheme. We will then write to the appointed individual to explain the process and their responsibilities.

In most circumstances, where there is a surviving spouse or civil partner, they will be the decision maker. Full details of the decision maker decision tree can be found here:

<https://www.civilservicepensionscheme.org.uk/your-pension/2015-remedy/decision-makers>

However, we have included some of the most common scenarios in the decision maker tree below to help you understand the decision making process. If there are any scenarios that are not covered below, please refer to the link above.

The decision maker will receive a quotation detailing the death benefits and any lump sums payable under both Option A and Option B. They will need to decide which benefits should be payable from one of these options. Once the decision is made, we will then pay the benefits to the beneficiaries, based on this decision.

Decision maker

It is important that we obtain all of the necessary information needed to appoint a decision maker following this guidance from HM Treasury:

Dependant pension and lump sum benefits payable

- **If there is only one beneficiary - an adult**
 - The adult beneficiary will be the decision maker
- **If there is only one beneficiary - a child**
 - The Legal Parent/Legal Guardian of the Child will be the decision maker
- **If there are multiple beneficiaries – adults and children**
 - The personal representative of the deceased member's estate will be the decision maker (who may, or may not, be one or more of the adult beneficiaries)
 - If there is no personal representative the surviving spouse or civil partner will be the decision maker
 - If there is no personal representative, surviving spouse, civil partner or qualifying life partner, and therefore no adult pension payable, and there is more than one child over 18, about to receive a child's pension then irrespective of whether they are living in the same household or in different households, the eligible decision maker is the person agreed upon by the two or more adult children
 - If any child is over 18 but cannot make the decision for themselves, the person with a power of attorney or who has been appointed as a deputy by the Court of Protection will choose a decision maker on their behalf
 - If there is a mix of children over 18 and under 18 then the eligible decision maker is the person agreed upon by the children over 18 (or a person with power of attorney / deputy if the child cannot make the decision for themselves) and the parent or guardian of the children under 18
 - If a decision maker cannot be agreed upon, the decision will be made by the Civil Service Pension Scheme administrator.

Lump sum only payable

- **If there are multiple beneficiaries – two or more adult beneficiaries (no children under or over 18)**
 - If there is no surviving spouse, civil partner or qualifying life partner, but there are two or more nominated adults who are about to receive a share in the death lump sum, the eligible decision maker is the personal representative of the estate
 - If there is no personal representative, then the eligible decision maker is the person agreed upon by the two or more adults
 - If a decision maker cannot be agreed upon, the decision will be made by the Civil Service Pension Scheme administrator.
- **If there are multiple beneficiaries – two or more CHILDREN UNDER 18**
 - If there is no surviving spouse, civil partner or qualifying life partner, but there are two or more nominated children who are about to receive a share in the death lump sum, if all children live in the same household then the eligible decision maker is the legal parent or legal guardian of the children
 - If the children live in different households, and there is no single legal parent or guardian, the eligible decision maker is the personal representative of the estate
 - If there is no personal representative of the estate the decision will be made by us.
- **If there is only one beneficiary – a nominated organisation**
 - The personal representative will be the decision maker (who may, or may not, be one or more of the adult beneficiaries)
 - If there is no personal representative, the decision will be made by the Civil Service Pension Scheme administrator.
- **If there is only one beneficiary – the deceased member's estate**
 - The personal representative will be the decision maker (who may, or may not, be one or more of the adult beneficiaries)
 - If there is no personal representative, the decision will be made by the Civil Service Pension Scheme administrator.

Civil Service Pensions death benefits

In the event of a member's death, the following benefits may be payable:

- Survivor dependant pension:
 - Widow's or Widower's pension; Civil Partner pension; Partner pension
- Child dependant pension
- Death benefit lump sum
- Widow's/Widower's Pension Scheme (WPS) refund

You can find more information about each benefit below.

Dependant pensions

Widow's/widower's or civil partner's pension:

In the event of a member's death, we will pay a pension to their widow, widower or surviving civil partner.

If the member was in the classic scheme, the pension is payable for life unless the recipient re-marries, co-habits or enters into a new civil partnership. For all other schemes, the pension is payable for life.

The amount of pension payable will depend on which scheme the member was in when they died. For more information please visit:

www.civilservicepensionscheme.org.uk/pension-schemes and select the relevant scheme.

To claim, you will need to complete and return a **Dependant pension claim form**.

Please enclose your original marriage or civil partnership certificate with your claim form.

Partner's pension:

If the deceased member was in a **classic plus, premium, nuvos, or alpha scheme**, we will pay a pension to their partner if they were cohabiting in an exclusive and committed long-term relationship.

To claim, you will need to complete and return a **Dependant pension claim form**.

Please enclose two forms of evidence of any joint financial arrangements between you and the deceased with your claim. Your evidence must be original, and dated no older than six months before the member's death.

You can choose two forms of evidence from the following list:

- Joint mortgage/tenancy
- Joint credit arrangements
- Beneficiary of life assurance
- Working family tax credits
- Joint bank account
- Joint savings account
- Council tax

If you are unable to provide any of the above as evidence, you will need to provide alternative evidence that shows you and the deceased shared joint financial commitments.

Child pension(s):

We will pay a child's pension to either the member's natural or adopted child (or any other financially dependant child), if the child meets one of the following eligibility criteria:

- They are under 17 (if the member was in **classic scheme**) or under 18 (if the member was in **classic plus, premium, nuvos** or **alpha scheme**)
- They are between the age of 17 and 23 (if the member was in **classic scheme**) or 18 and 23 (if the member was in **classic plus, premium, nuvos** or **alpha scheme**) and in full-time education or vocational training
- They are unable to work because of a permanent physical or mental impairment.

If more than one child meets the eligibility criteria, we will split the pension equally between them.

To claim, you will need to complete and return a **Dependant pension claim form**.

You will need to send us original versions of the following supporting documentation with your claim form:

- **For all claims** – A full birth certificate or adoption certificate
- **If applying as a guardian of a child in your care** – A parental responsibility order or agreement order
- **If applying for a child under 23 and in full-time education or training** - A letter from an education or training establishment confirming the start and end date of the child's course

If applying for a child in your care who is unable to work due to a physical or mental impairment –

- A letter from the child's doctor explaining their condition and that they are unable to engage in gainful employment
- Evidence of financial dependence on the member.

Death benefit lump sum

A death benefit lump sum may be payable in the following circumstances:

- If a member dies whilst in service
- If a member dies after leaving service, but before claiming their pension
- If a member dies within two years of fully retiring (applies to classic members)
- If a member dies within five years of fully retiring (applies to **classic plus**, **premium**, **nuvos**, and **alpha members**)

If there is a death benefit nomination:

If the deceased member has made a **death benefit nomination**, we will pay a death benefit lump sum to their one nominee (if they were in **classic scheme**) or their nominees (if they were in **classic plus**, **premium**, **nuvos** or **alpha scheme**).

We will send a **One-off payment claim form** to each nominee for them to complete.



Please note: A Grant of Representation is not required to pay this benefit.

If there is no death benefit nomination:

Should the member not make any death benefit nominations, the death benefit lump sum will instead be due to the estate.

If you are claiming as the member's personal representative, you will need to complete a **One-off payment claim form** on behalf of the estate.



Please note: We may require a Grant of Representation to pay this benefit, see below.

Payments to the member's estate

Widow's/Widower's Pension Scheme (WPS) refund:

If the deceased was a member of either **classic** or **classic plus scheme**, they will have paid Widow's/Widower's Pension Scheme (WPS) contributions during their service in order to make provision for a widow or widower in the event of their death.

We may refund these contributions if:

- the member was either in **classic** or **classic plus scheme**; and
- was either in service or had left service, but had not claimed their pension; and
- was unmarried, divorced, or widowed.

We will pay a WPS refund to the member's personal representative (the person dealing with the deceased member's estate).

To make a claim, you will need to complete the **One-off payment claim form**.



Please note: We may require a Grant of Representation to pay this benefit, see below.

Underpayment of pension:

As we pay members' pensions in arrears, a member may die before we can pay them their next pension payment. If this happens, we will pay any pension that was due to the member, from the day after the last payment to the date of death, to their personal representative.



Please note: If we paid the member's pension after they died, there may be money owed to us from the deceased member's estate.

To make a claim as the member's personal representative, you will need to complete the **One-off payment claim form**.



Please note: We may require a Grant of Representation to pay this benefit, see below.

Grant of Representation:

If you have a Grant of Representation (a Court Order issued by one of the Probate Registries of the High Court, which gives authority to 'Personal Representatives' to deal with a deceased's estate) please enclose the original document with your claim form.

You can find information about applying for Grant of Representation on the government website: www.gov.uk/applying-for-probate



Please note: if you are claiming a benefit (or benefits) as the member's personal representative, and the total amount payable to the estate is more than £10,000 (or £40,000 where the personal representative is the member's spouse or civil partner), then you or your solicitor must apply for a Grant of Representation and send us the original document before we can pay any benefits due.

You can find information about applying for Grant of Representation on the government website: www.gov.uk/applying-for-probate

Death benefits and tax

All occupational pension schemes and personal pension arrangements are subject to tax rules. The rules set limits on the following:

- The amount of tax-free contributions people can make to a pension scheme
- The maximum amount of tax free benefits that can be paid
- The way in which benefits can be taken.

This section explains how the tax rules may affect the benefits payable following the death of a scheme member.

Tax on residual payments

Residual payments are considered income and consequently, are taxed at the member's income tax rate in the tax year the payment is issued.

Tax on dependant pensions

Dependant pensions are considered income and are taxed at the dependant's income tax rate.



Please note: Any arrears of dependant's pension will be taxed using an emergency tax code, until we receive the correct tax code from HMRC.

Tax on death benefit lump sums:

If we pay a death benefit lump sum within two years of being told that the member has died (or from when we could first reasonably have been expected to know of the member's death) and the member was under age 75 at date of death, it will be paid tax-free by the scheme. If the payment of some or all of this tax-free payment is in excess of the member's 'lump sum and death benefit allowance, the excess will be assessed to tax on the recipient by HMRC.

If the payment is made outside of the two year window or the member was over age 75 at date of death, the payment will be assessed to tax on the recipient and this tax will be deducted by the scheme. The tax basis for applying tax differs depending on who it is paid to.

The tax rules can be complicated but broadly, if a payment is made to:

- an individual, income tax will be applied
- the estate or a trust, tax will be applied at 45%

See the **HM Revenue & Customs (HMRC)** website for more information about the taxation of lump sum death benefits: from pension schemes:

www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm073010

Tax rules require us to tax a death benefit lump sum for members aged 75 or over at the date of death.

If a **pension guarantee payment** is due on the member's death, we cannot pay this as a lump sum. Instead, we will continue to pay an annual pension – for the rest of the guarantee period – to the person or people nominated to receive the lump sum. We will make these pension payments annually in advance.

See **HMRC's** website for more information: <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm073010>

Death benefits and the lump sum and death benefit allowance:

From 6 April 2024, each member has a lump sum and death benefit allowance (LSDBA). For 2024/25 the standard LSDBA is £1,073,100 but a member may hold a valid lifetime allowance protection certificate which will give them a higher personal LSDBA.

Certain lump sum payments made in a member's lifetime and on death use up the LSDBA.

The following lump sums are a relevant benefit crystallisation event (RBCE) and use up a member's LSDBA during their lifetime when paid to the member on or after 6 April 2024:

- pension commencement lump sums
- any tax-free element of an uncrystallised funds pension lump sum
- any tax-free element of a serious ill health lump sum

When a beneficiary becomes entitled to a lump sum death benefit on or after 6 April 2024, they also use up an amount of the deceased member's LSDBA.

An RBCE happens when a relevant lump sum death benefit is paid which may include but is not limited to:

- a defined benefits lump sum death benefit
- an uncrystallised funds lump sum death benefit
- a flexi-access drawdown lump sum death benefit

Certain lump sums are exempt from using up a member's LSDBA, including where the lump sum relates to rights which were tested against the lifetime allowance prior to 6 April 2024.

As well as being reduced for certain lump sums paid on or after 6 April 2024, a further deduction is made if the member had previously used up some of their lifetime allowance prior to 6 April 2024.

Due to the way in which the tax rules operate for pre-6 April 2024 events, it may be beneficial for the member to hold a 'transitional tax-free amount certificate'. If the member held one of these certificates, the LSDBA will be reduced by the amount stated. It is possible for the personal representative to apply for a certificate after the member's death. HMRC has a tool to assess whether this certificate would be useful: www.tax.service.gov.uk/guidance/Check-if-you-can-apply-for-a-Transitional-tax-free-amount-certificate/start

The LSDBA is unlikely to impact on the payment of death benefit lump sums in respect of most members. The notes in this guide are only intended to give a brief overview and you can find more detailed guidance in HMRC's pensions tax manual at: www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm170001

You may also wish to seek professional advice.

What a personal representative must do:

The personal representative needs to assess which RBCEs have occurred and whether the member has sufficient available LSDBA to cover any relevant lump sum death benefits.

Any relevant lump sum death benefits paid in excess of the LSDBA will not be tax-free and will instead be subject to income tax, regardless of who it is paid to.

It is the duty of the personal representative, following the payment of a lump sum death benefit(s), to report any amount in excess of the LSDBA directly to HMRC. HMRC will then assess the tax due and invoice the recipients directly.

Please note:



If a member with a deferred pension dies before their pension comes into payment, or shortly after their pension comes into payment, we will pay the balance of pension due to be paid during the guarantee period. This is called a pension guarantee payment.

