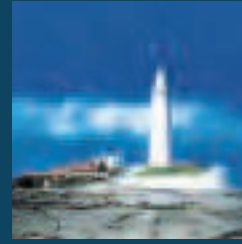
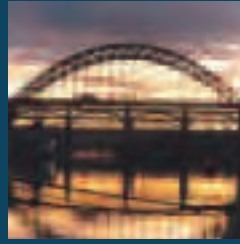


Tyne and Wear Pension Fund

Administered by South Tyneside Council



Life Cover

Life cover - protection for your family

The LGPS provides valuable life cover and financial protection for your family.

In this leaflet we look at how these benefits work if you pay into the LGPS on or after 1 April 2008.

Where pension terms are used, they appear in ***bold italic*** type. These terms are defined at the end of this leaflet.

What benefits will be paid if I die in service?

If you die in service as a member of the LGPS, the benefits shown below are payable.

A lump sum death grant of three times your final year's pay is paid no matter how long you have been a member of the LGPS, provided you are under age 75 at the date of death. For part-time employees, it is three times your actual part-time pay.

A survivor's pension. An ongoing pension is provided for your husband, wife, registered ***civil partner*** or, subject to certain qualifying conditions, your nominated co-habiting partner. This pension is payable immediately after your death for the rest of their life and will increase every year in line with the cost of living (RPI).

- **For your husband, wife or *civil partner*:** the pension payable is equal to 1/160th of your final pay times the *membership you would have built up to age 65*.
- **For your nominated co-habiting partner:** the pension payable is calculated in the same way, although only your membership from 6 April 1988 is used in the calculation plus any of your membership before 6 April 1988 for which you have opted to pay additional contributions so that it counts towards a nominated co-habiting partner's pension.

To nominate a co-habiting partner for a survivor's pension your relationship has to meet certain conditions laid down by the LGPS. You can find information on these conditions and how to make a nomination in **What are the conditions** which you'll find later in this leaflet.

Children's pensions - these are payable to ***eligible children*** and increase every year in line with the cost of living (RPI).

The amount of pension depends on the number of ***eligible children*** you have:

- **If a survivor's pension is being paid** to your husband, wife, ***civil partner*** or nominated co-habiting partner, one child would receive 1/320th of your final pay times the *membership you would have built up to age 65*, while two or more children would receive 1/160th shared equally between them.
- **If there is no husband's, wife's, *civil partner's* or nominated co-habiting partner's pension being paid**, one child would receive 1/240th of your final pay times the *membership you would have built up to age 65*, while two or more children would receive 1/120th shared equally between them.

In determining survivor's and children's pensions for part-time employees who die in service, the *membership you would have built up to age 65* is calculated on the assumption you would have remained part-time through to then.

You should read the leaflet on **Your LGPS Retirement Benefits** to find out how membership counts and how final pay is worked out for the calculation of LGPS benefits.

If you die in service and are you paying additional contributions to:

- **buy extra LGPS pension** and you opted to pay for dependant's benefits when you took out your original contract, then extra benefits will be payable to your husband, wife, **civil partner** or nominated co-habiting partner and to **eligible children** as if you had completed all payments. If you did not opt to pay for dependant's benefits when you took out your original contract, then no extra benefits will be payable.
- **buy LGPS added years**, you will be credited on your death with the whole extra period of membership that you set out to buy, even if you have not completed full payment for it. This will increase the value of the benefits payable to your husband, wife, **civil partner** or nominated co-habiting partner and to **eligible children**. To buy added years you must have opted to do so before 1 April 2008.
- **buy extra nominated co-habiting partner survivor benefits**, then the whole of your pre 6 April 1988 membership that you were paying additional contributions for will be included in calculating any survivor pension payable to a nominated co-habiting partner, even if you have not completed full payment for it.

If you pay **Additional Voluntary Contributions (AVCs)** arranged through the LGPS (in-house AVCs), the value of your AVC fund is payable, as is any extra life cover or spouse's/**civil partner's** pension paid for through AVCs.

What benefits will be paid if I die after retiring on pension?

If you die after retiring on pension, your benefits will no longer be payable.

Your husband, wife, **civil partner**, co-habiting partner, next-of-kin or person dealing with your Estate must immediately inform The Pensions Office of your date of death as otherwise an overpayment could occur. Contact details can be found at the end of this leaflet.

The following benefits may then be payable on your death:

A lump sum death grant will be paid if you die within the first 10 years on pension, and you are under age 75. The amount payable would be 10 times your annual pension reduced by any pension already paid to you (ignoring any reduction in your pension as a result of re-employment by an employer offering membership of the LGPS).

A survivor's pension. A pension will be paid to your husband, wife, registered **civil partner** or, subject to certain qualifying conditions, your nominated co-habiting partner. This pension is payable immediately after your death for the rest of their life and will increase every year in line with the cost of living (RPI).

- **For your husband or wife:** the pension payable is equal to 1/160th of your final pay times the membership your pension is based on, unless you marry after retirement in which case it could be less. If you marry after retiring:
 - your husband's pension is based on your membership after 5 April 1988, (excluding, unless you were married to your husband at some time whilst you paid into the LGPS, additional membership purchased by you or granted to you by your employer or the scheme),
 - your wife's pension is based on your **contracted-out** membership after 5 April 1978.
- **For your civil partner:** the pension payable is equal to 1/160th of your final pay times the membership your pension is based on.
- **For your nominated co-habiting partner:** the pension payable is equal to 1/160th of your final pay times your membership in the scheme after 5 April 1988, plus any of your membership before 6 April 1988 for which you have paid additional contributions so that it counts towards a nominated co-habiting partner's pension.

To nominate a co-habiting partner for a survivor's pension your relationship has to meet certain conditions laid down by the LGPS. Information on these conditions, and how to make a nomination are set out in **What are the conditions** which you'll find later in this leaflet .

Children's pensions - these are payable *to eligible children* and increase every year in line with the cost of living (RPI).

The amount of pension depends on the number of *eligible children* you have:

- **If a survivor's pension is being paid** to your husband, wife, *civil partner* or nominated co-habiting partner, one child would receive 1/320th of your final pay times the membership your pension is based on, while two or more children would receive 1/160th shared equally between them.
- **If there is no husband's, wife's, civil partner's or nominated co-habiting partner's pension being paid**, one child would receive 1/240th of your final pay times the membership your pension is based on, while two or more children would receive 1/120th shared equally between them.

If you paid additional contributions to buy extra benefits see the leaflet on **Increasing your Benefits** to find information on any extra survivor benefits that may be payable.

Who is the lump sum death grant paid to?

Your administering authority has absolute *discretion* over who receives any lump sum death grant; they can pay it to your nominee or personal representatives or to any person who appears, at any time, to have been your relative or dependant. The LGPS, however, allows you to express your wish as to who you would like any death grant to be paid to by completing and returning a Death Grant Nomination Form. If any part of the death grant has not been paid within two years, it must be paid to your personal representatives, i.e. to your Estate. If you have not already made your wishes known, or you wish to update / change a previous nomination, a form is available from The Pensions Office. Remember to complete a new form if your wishes change.

What are the conditions for a nominated co-habiting partner's survivor's pension?

To be able to nominate a co-habiting partner, of either opposite or same sex, to receive a survivor's pension on your death, all of the following conditions must apply to both you and your nominated co-habiting partner and each condition must have applied for a continuous period of at least 2 years on the date you both sign the nomination form:

- both you and your nominated co-habiting partner are, and have been, free to marry each other or enter into a *civil partnership* with each other, and
- you and your nominated co-habiting partner have been living together as if you were husband and wife, or *civil partners*, and
- neither you or your nominated co-habiting partner have been living with someone else as if you/they were husband and wife or *civil partners*, and
- either your nominated co-habiting partner is, and has been, financially dependent on you or you are and have been financially interdependent on each other.

Your partner is financially dependent on you if you have the highest income. Financially interdependent means that you rely on your joint finances to support your standard of living. It doesn't mean that you need to be contributing equally. For example, if your partner's income is a lot more than yours, he or she may pay the mortgage and most of the bills, and you may pay for the weekly shopping.

You make a nomination by completing a Cohabiting Partner Nomination Form, which is available from The Pensions Office.

On your death, a survivor's pension would be paid to your nominated co-habiting partner if:

- the nomination has effect at the date of your death, and
- your nominated co-habiting partner satisfies your administering authority that the above conditions had also been met for a continuous period of at least 2 years immediately prior to your death.

And

- If your LGPS benefits are subject to a Pension Sharing Order issued by the Court following divorce or dissolution of a *civil partnership*, or are subject to a qualifying agreement in Scotland, your benefits will be reduced in accordance with the Court Order or agreement. In consequence, if you remarry, enter into a new *civil partnership* or nominate a co-habiting partner to receive a survivor's pension, any spouse's pension, *civil partner's pension* or nominated co-habiting partner's pension payable following your death will also be reduced. Benefits payable to *eligible children* will not, however, be reduced because of a pension share.
- If your membership in the LGPS includes a *Guaranteed Minimum Pension (GMP)*, your wife's pension for that part of your membership prior to 6 April 1997 must not be less than half your *GMP*. Your husband or *civil partner's* pension for that part of your membership prior to 6 April 1997 must not be less than half your *GMP* built up after 5 April 1988.
- Your personal representatives will need to inform HM Revenue and Customs if, with the lump sum death grant, the value of all your pension benefits – but not including any spouse's, *civil partner's* or dependant's pensions - exceeds the HM Revenue and Customs lifetime allowance. Under HM Revenue and Customs rules, any excess will be subject to a recovery tax charge. Most scheme members' pension savings will be significantly less than the allowance. You can find more information on this from the leaflet on **Tax Controls and Your LGPS Benefits**.

More information

For more information or if you have a problem or question about your LGPS membership or benefits, please contact The Pensions Office. Our contact details can be found on the back of this leaflet.

The national web site for members of the LGPS can be found at www.lgps.org.uk

You can find out about what you can do if you are not happy about a decision made about your LGPS pension position from the leaflet **Unhappy with Your Pension Benefits?**

Disclaimer

The information in this leaflet applies to individuals who were contributing members of the Local Government Pension Scheme on 1 April 2008 or who have since joined. This leaflet was up-to-date at the time of publication in April 2010. This leaflet is for general use and cannot cover every personal circumstance nor does it cover specific protected rights that apply to a very limited number of employees. In the event of any dispute over your pension benefits, the appropriate legislation will prevail as this leaflet does not confer any contractual or statutory rights and is provided for information purposes only.

Some terms we use

Civil Partnership

A Civil Partnership is a relationship between two people of the same sex (civil partners) which is formed when they register as civil partners of each other.

Contracted out

The LGPS was contracted out of the *State Earning Related Pension Scheme (SERPS)* and is contracted out of the *State Second Pension (S2P)*. This means that, prior to *State pension age*, you pay reduced National Insurance contributions between the *Lower Earnings Limit* and the *Upper Accruals Point* (unless you have opted to pay the married woman's/widow's reduced rate of National Insurance). The LGPS guarantees to pay you a **Guaranteed Minimum Pension (GMP)** for being contracted out of the *State Earning Related Pension Scheme (SERPS)* and, for membership after 5 April 1997, the LGPS must meet a minimum Reference Scheme test prescribed under the Pensions Act 1995.

Discretion

This is the power given by the LGPS to enable your employer or your administering authority to choose how they will apply the scheme in respect of certain provisions. Under the LGPS your employer or your administering authority are obliged to consider how to exercise their discretion and, in respect of some (but not all) of these discretionary provisions, to have a written policy on how they will apply their discretion. They have a responsibility to act with 'prudence and propriety' in formulating their policies and must keep them under review. You may ask your employer or your administering authority what their policy is in relation to a discretion. Your administering authority is South Tyneside Council.

Eligible children

Eligible children are your children. They must, at the date of your death:

- be under 18 and be wholly or mainly dependent on you, or
- be aged 18 or over and under 23, be dependent on you, and be in full-time education or undertaking vocational training (although a dependant child who commences full-time education or vocational training after the date of your death may be treated as an eligible child up to age 23), or
- in some cases, a dependent child of any age who is disabled may be classed as an eligible child.

In all cases, the children must have been born before or within a year of your death.

Guaranteed Minimum Pension (GMP)

The LGPS guarantees to pay you a pension that is at least as high as you would have earned had you not been **contracted out** of the **State Earnings Related Pension Scheme (SERPS)** at any time between 6 April 1978 and 5 April 1997. This is called the Guaranteed Minimum Pension (GMP).

Lower Earnings Limit

This is the amount of pay that you can receive before you pay any National Insurance contributions. The Lower Earnings Limit for 2010/2011 is £97 per week. It is usually increased annually by Parliament.

SERPS (State Earnings Related Pension Scheme)

This is the extra earnings related part of the state pension that employed people could earn up to 5 April 2002. LGPS members were automatically **contracted out** of SERPS, and most paid lower national insurance contributions as a result. SERPS was replaced by the **State Second Pension (S2P) from 6 April 2002**.

State pension age

This is the earliest age you can receive the state basic pension and is currently age 65 for men. From 2010 the State pension age for women is as shown in the table below, so that by 2020 State pension age for men and women will have been equalised at age 65.

Date of Birth	State Pension Age
Before 6th April 1950	60
6th April 1950 - 5th April 1951	Between 60 & 61
6th April 1951 - 5th April 1952	Between 61 & 62
6th April 1952 - 5th April 1953	Between 62 & 63
6th April 1953 - 5th April 1954	Between 63 & 64
6th April 1954 - 5th April 1955	Between 64 & 65
After 5th April 1955	65

The State pension age will be increased for men and women from 65 to 68 between 2024 and 2046.

State Second Pension (S2P)

The State Second Pension (formerly **SERPS**) is the additional state pension, payable from **State pension age** by the Department for Work and Pensions. Initially, S2P was an earnings-related pension but from April 2009 it began building up as a flat rate pension, achieving full flat rate accrual by around 2030.

LGPS members are **contracted out** of S2P and most pay lower national insurance contributions as a result. More information on the State Second Pension (S2P) is available from the DWP Pensions Service.

Upper Accruals Point

This is the amount of pay beyond which you cease to pay the, lower, contracted-out rate of National Insurance contributions. The Upper Accruals Point for 2010/2011 is £770 per week. It is usually increased annually by Parliament. On earnings above the Upper Accruals Point and up to the Upper Earnings Limit of £884 per week you pay the full 11% National Insurance contribution and on earnings above the Upper Earnings Limit you pay a 1% National Insurance contribution.

How to contact us

Our information is available in other ways on request.

We can provide information in other languages, Braille or large print.

We also have access to audio aids and BSL interpreters.

There are a number of ways you can get in touch with us.

If you need any further information on the LGPS please contact us at:



The Pensions Office
Tyne and Wear Pension Fund
Civic Centre Campbell Park Road
Hebburn Tyne and Wear NE31 2SW



Pensions Helpline
Tel 0191 424 4141



Fax 0191 424 4171



Email pensions@twpf.info



Web www.twpf.info

Personal callers

You can visit us at the Pensions Office address during office hours. You don't need to make an appointment.

Office hours

Monday to Thursday 8.30am to 5.00pm
Friday 8.30am to 4.30pm

Please quote your National Insurance Number and your Membership ID number so we can quickly trace your records.

Data Protection

We use the information you give us (and in return the information we give you) to do the tasks required for the administration of your pension, to carry out the Fund's official business and to help stop crime and prevent fraud. Under the Data Protection Act 1998, South Tyneside Council is the Data Controller (the holder, user and processor) of the pension information held about you.