

## **Payments following death policy**

The following procedures shall apply in relation to the payment of death grants (to include AVC lump sum payments due on death where that AVC was taken out on or after 1 April 2014): -

### **Determination of Beneficiary**

1. Payment of the death grant will be made to or for the benefit of a member's nominee(s), personal representatives or any person or persons appearing to the authority to have been a relative or dependent of the member. The decision will take account of all the relevant circumstances of a particular case, including the following scenarios which will be considered in the following order –
  - There is a clear, effective and valid nomination in respect of the death grant by the Scheme member
  - A dependant's pension is payable
  - There are other dependants (e.g. a cohabiting partner who was not in a position to marry so does not meet the criteria for a survivor pension)
  - There are children
  - There are other relatives
  - There is a personal representative who has legal authority to administer the Estate;
  - There are no valid beneficiaries and payment is to be made to the Duchy of Lancaster

In all cases the payment of the death grant will be made at the absolute discretion of Lancashire County Council as the administering authority.

### **Delegation**

2. The payment of death grants under the Local Government Pension Scheme Regulations shall be delegated to the Head of Fund, who will further delegate this responsibility to the Pension Fund's Technical Pensions Lead (unless paragraph 3 applies in which case it is delegated to the relevant individual at Local Pensions Partnership Administration Ltd.).
3. Where the death grant does not exceed £100,000 and there are no competing death grant claims, and
  - there is a valid nomination held on record with no evidence which may undermine that nomination (for example, a change in partnership status since the nomination was made), or
  - where there is a dependant's pension; or
  - there are children (satisfying the definition of a child under the LGPS regulations)

responsibility will be further delegated to the Operations Director of Local Pensions Partnership Administration Ltd.

### **Arrangements for Children/Young Adults below the age of 21 at time of payment**

4. Where the death grant payable to an individual is £25,000 or greater the death grant will be paid into a child's trust fund which will be payable: -
  - On the child attaining age 21; or
  - On application under the terms of the Trust Deed, the Family Trustees may jointly agree with the Independent Trustee (if applicable), that a part of the child's trust fund shall be payable before the age of 21.
  
5. Where the death grant payable to an individual is under £25,000 and greater than £5,000 the death grant will be paid into a child's trust fund which will be payable: -
  - On the child attaining age 18; or
  - On application under the terms of the Trust Deed, the Family Trustees may jointly agree with the Independent Trustee (if applicable), that a part of the child's trust fund shall be payable before the age of 18.
  
6. Where the death grant payable to an individual is £5,000 or under and the child is under age 18 at time of payment, the death grant will be paid to the child's parent / legal guardian for the benefit of the child. If the death grant payable to an individual is £5,000 or under and the child is age 18 or over at time of payment, the death grant will be paid directly to the child.

### **Payment to the Estate**

7. Where a pension scheme member dies and payments due from the Pension Fund do not exceed the Administration of Estates (Small Payments) Act, and the payment is being made to the Estate: -
  - If a spouse, cohabiting or civil partner's pension is being paid there are no further documentation requirements
  - In all other instances a form of indemnity, Grant of Probate or Letters of Administration must be satisfactorily completed or produced before any payments can be made to the estate.