

DEATH BENEFIT NOMINATIONS – EXPLANATORY LEAFLET

John Jarvis – Secretary-Administration – September 2021

If you think the Death Benefit Nomination (DBN) scheme applies to you, you should immediately contact MyCSP for a DBN Form.

DBN forms are only used to pay death benefit lump sum (DBLS) benefits and are totally separate to the payment of a dependant pension.

Below are extracts from the relevant rules. Please note that if a member partially retires or has a pension in payment, and is also accruing additional benefits as an active member, the death benefits available may differ.

For the majority of the civil service pension schemes the calculation for a DBLS is 5 times the annual pension payable to the member on the date the pension became payable. If a pension has been in payment for longer than 5 years, the payment of a DBLS no longer applies.

However under the Classic Scheme the DBLS is 5 times the annual pension **less** any payments of lump sum and pension already received, this can mean that if a member opts to take a greater lump sum at retirement there may be little or no DBLS due even if the member were to pass away before the period of 5 years has passed.

There are variations for the Classic Plus, Premium, Nuvos and Alpha Schemes which are detailed to the Explanatory Leaflet referred to earlier.

Please note that if a member is partially retired or has a pension in payment and is also accruing additional benefits as an active member the death benefits available may differ.

| Scheme | Death in retirement |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Classic | <p>Where a Civil Servant retires on or after 1 July 1987 and a pension comes into payment before 6 April 2006, but dies before a period of 5 years has elapsed, an annual compensation payment can come into payment, the following sums may come into payment.</p> <p>(i) five times the annual rate of pension or annual compensation payment at the date of death (including any contributed pension payable under section 14 and any increase under the Pensions (Increase) Act 1971, as amended but excluding any additional pension resulting from an election under rule 3.1a);</p> <p>(ii) the total of lump sums and pension or annual compensation payment already paid, including any contributed lump sum and pension paid under section 14.</p> <p>If the sum in (ii) is less than the sum in (i), a supplementary death benefit equal to the difference between these two amounts may be paid to the person nominated by him for a death benefit under rule 3.8, or (in the absence of a valid nomination) to his personal representatives. This is subject to rules 3.9b and 3.9c.</p> |

| Scheme | Death in retirement |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Classic Plus | <p>An amount equal to the sum of—</p> <p>(a) the amount of the annual pension that would have been payable to the member in respect of the member's old reckonable service (classic 80ths) during the period of five years beginning with the date on which the pension became payable as falls after the date of death, less the amount of any lump sum already paid to the member in respect of his old reckonable service (classic 80ths),</p> <p>(b) the amount of the new service pension (premium 60ths) that would have been payable to the member during so much of the period of five years beginning with the date on which the pension became payable as falls after the date of death.</p> <p>The pension already paid will be deducted from the amount payable.</p> |
| Premium | <p>In the case of a pensioner member, the amount of the lump sum payable is equal to the amount of the pension that would have been payable to the member during so much of the period of five years beginning with the date on which the pension became payable as falls after the date of death.</p> <p>Pension increases are disregarded when calculating this amount.</p> |
| Nuvos | <p>In the case of a deceased deferred member who does not fall within rule F.12 (active member) or a deceased pensioner member who does not fall within rule F.12 (active member), the amount of the lump sum payable under rule F.11 (death of a member: lump sum benefit) is equal to—</p> <p>(a) the member's pension, multiplied by 5, less</p> <p>(b) the total amount of any pension payments made to the member as such under this Section.</p> |
| Alpha | <p>The amount of the lump sum death benefit payable in respect of a person who dies out of service is equal to—</p> <p>(a) the total annual amount of pensioner's full retirement pensions in relation to that period of service, multiplied by 5; less</p> <p>(b) the total amount of any payments of retirement pension made to P under this scheme.</p> |