

## University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS)

### Factsheet 9 – Death Benefits

Benefits are payable if you die while still paying into UASLAS or if you have left but retain a deferred pension in UASLAS, or if you die in retirement. This factsheet provides details of the benefits payable on death in service and death after retirement.

For details of the benefits payable on death after leaving UASLAS, please refer to [Factsheet 10 – Leaving Service Benefits](#).

#### WHAT HAPPENS IF I DIE WHILE IN SERVICE?

If you die in service before your Normal Pension Date, a tax free lump sum is payable at the discretion of the Trustees and a pension will be payable to your spouse. If you have children, then a child allowance may also be payable to your children.

#### Death in service lump sum

A tax free lump sum of three times your Pensionable Salary is payable if you die whilst in Pensionable Service. In addition your contributions will be refunded with interest at a rate of 4%.

This lump sum payment is made at the discretion of the Trustees so that it is not subject to tax. The payment can be made to a relative, dependant or someone else nominated by you by completing a “Nomination of Beneficiary” form obtainable from the Pensions Office. However the UASLAS Trustees are not bound by the nomination form and have to take account of all the circumstances at the date of a member’s death when deciding how to distribute the lump sum. You can obtain a nomination of beneficiary form from the UASLAS website at the following address:

<https://www.abdn.ac.uk/staffnet/working-here/pensions-208.php>

Please complete this form so that the UASLAS Trustees can take your wishes into account when deciding who will receive the lump sum benefit should you die in service. In the form, you can choose to nominate one beneficiary to receive all of the payment or request that the payment is shared between a number of beneficiaries.

#### A pension for your spouse

Your spouse or partner will receive a pension payable for life if you die in service.

You may be able to nominate someone else to receive this pension if you are not married or in a registered civil partnership. Please see “What if I’m not married or in a civil partnership” below. The pension consists of 3 parts, which are added together.

The pension your spouse will receive will be equal to one half of the pension that you would have received had you retired at your Normal Pension Date calculated using your pensionable salary at the date of your death.

#### Child’s Allowance

Your spouse’s pension will stop on their death unless there is at least one dependent child of your marriage, or any previous marriage, of yours under the age of 23. If this is the case the pension will be shared amongst your children and continue until the youngest child reaches age 23.

#### What if I am aged over 65?

A lump sum will be payable which is equal to the amount you would have received had you retired on the date of your death. In addition to this a lump sum equal to the discounted value of 5 years of the pension which would have been paid had you survived to retirement. This will not include any pension which could have been purchased with your UASLAS AVC account however the accumulated value of your UASLAS AVC account will be refunded.

A spouse’s pension will also be payable which is calculated as follows:

- A pension of half of your Final Salary pension based on service up to 1 August 2011 and your Pensionable Salary at the date of your death,

Plus

- A pension equal to half of your CARE pension earned from 1 August 2011 to the date of your death and including revaluation up to the date of your death.

If your spouse is more than 11 years younger than you, their pension shall be reduced.

## **What if I'm not married or in a civil partnership?**

If you are not married or not in a civil partnership, the Trustees may use their discretion to provide a pension for a member's surviving dependent partner irrespective of sex or marital status. The total amount of pension payable cannot be more than the spouse's pension, but it can be divided among more than one dependant. You should include the details of any potential dependants on the Nomination of Beneficiaries Form which is available from the following website:

<https://www.abdn.ac.uk/staffnet/working-here/pensions-208.php>

This will help the Trustees decide if a dependant's pension can be paid. However, the Trustees will make their decision taking into account your individual circumstances at the time of your death.

- You are married but not living with your spouse at the time of death. The scheme must pay a minimum level of pension to your spouse in accordance with legislation, but in addition the Trustees may choose to pay a pension to another dependant.
- You are not married at the time of death. Under HM Revenue & Customs rules, unmarried partners must be financially dependent on a member prior to death to enable a dependant's pension to be paid. Financial interdependence where there is joint financial commitment is usually considered to be financial dependence. In such circumstances, your surviving dependent may be required to provide evidence that they were financially dependent on you.

However, if you are married and living with your spouse at the time of your death then your spouse will receive the full spouse's pension.

## **WHAT HAPPENS IF I DIE AFTER RETIREMENT?**

If you die after you retire your spouse or partner will receive a pension payable for life. In addition, if you die within five years of your retirement date a tax free lump sum may be payable. These benefits are described in more detail below.

### **A pension for your spouse**

Your spouse or civil partner will receive a pension equal to one half of the pension you were receiving at the date of your death. This pension will be paid for life and increased in the same way that your own pension would have increased.

If you exchanged some of your pension for a greater lump sum then the spouse's pension is calculated assuming this option has not been exercised.

If your spouse is more than 11 years younger than you, their pension shall be reduced.

### **Lump sum payment if you die within 5 years of retirement**

If you die within 5 years of your retirement date, a tax free lump sum will be payable which is equivalent to the balance of pension payments due over the first five years of your retirement.

For example, if you die three years after you retire, a lump sum equivalent in value to two years' worth of pension payments will be made.

### **Will a pension be payable to my children when I die?**

If you die after your Normal Pension Date (and were not in Pensionable Service), then your spouse's pension will stop on their death.

### **IMPORTANT NOTE**

This factsheet provides a summary of your death benefits. However, your legal rights are governed by the Trust Deed and Rules of UASLAS. If there are any differences between the Scheme Rules and this factsheet, the Rules will override the factsheet.

A copy of the Rules can be obtained from the Pensions Office.