

Death Grant Policy

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Death Grant Policy

The Local Government Pension Scheme (LGPS) lump sum Death Grant is a benefit provided by the scheme to support the beneficiaries of its members.

This document outlines the policy, criteria, and payment of lump sum Death Grants that may become due under:

- Local Government Pension Scheme Regulations 2013: Regulation 40(2); 43(2) and 46(2)
- Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007: Regulation 23(2); 32(2) and 35(2)
- Local Government Pension Scheme Regulations 1997: Regulation 38(1) and 155(4)
- Local Government Pension Scheme Regulations 1995: Regulation E8

The policy ensures the payment and exercising of discretion is done fairly, transparently and in a manner that is respectful of the circumstances of each individual case.

Eligibility Criteria

A lump sum Death Grant is payable if, at the time of death, the member:

1. is under the age of 75 and
2. was actively paying into the scheme and contributed to the LGPS for at least two years or
3. had a deferred pension or
4. was a pensioner who left the member left the scheme between 1 April 1998 and 31 March 2008 and in receipt of their pension for less than 5 years or
5. was a pensioner who left the scheme on or after 1 April 2008 and in receipt of their pension for less than 10 years

Death Grant Beneficiary

The Local Government Pension Scheme regulations give responsibilities and discretions to Carmarthenshire County Council as the administering authority of the Dyfed Pension Fund in respect of certain aspects of administration.

Scheme members can nominate any person, persons, or organisation to receive the lump sum Death Grant by completing a Death Grant Expression of Wish form.

Where an Expression of Wish form has been completed

The Pensions Team will pay the lump sum Death Grant in accordance with the wishes of the deceased as recorded on the Expression of Wish form.

Where an Expression of Wish form has been completed, but one or more of the beneficiaries has predeceased the member

The Pensions Team will pay the lump sum Death Grant to the remaining beneficiary or beneficiaries as recorded on the Expression of Wish form.

Where there is more than one remaining beneficiary, the Pensions Team will determine how the lump sum Death Grant should be distributed between the beneficiaries so that it reflects the wishes of the deceased as recorded on the Expression of Wish form.

Where an Expression of Wish form has been completed, but the circumstances of the member are known to have changed

Where the Pensions Team has good reason to believe that the circumstances of the deceased member have changed since the Expression of Wish form was completed, the Expression of Wish form will be declared invalid and the lump sum Death Grant payment will be paid using the funds discretion.

Where an Expression of Wish form has not been completed

- The Pensions Team will pay the lump sum Death Grant to the deceased's partner where a survivor's pension is being paid.
- Where there is no surviving partner, payment of the lump sum Death Grant will be made to the deceased's estate on production of Grant of Probate or Letters of Administration.
- The Pensions Team has the discretion to make lump sum Death Grant payments of less than £5,000.00 under the Administration of Estates (Small Payments) Act 1965. An indemnity form should be complete.

Payment of the lump sum Death Grant to a minor

- Where the nominated beneficiary is under 18 at the time of the members death, the Pensions Team will pay the lump sum Death Grant into a Trust Fund for the beneficiary.

When exercising discretion, the Pensions Administration will consider the payment of the lump sum Death Grant in the following order of priorities:

- a) the member's spouse, civil partner or cohabiting partner
- b) the member's children
- c) the member's parents
- d) the member's siblings
- e) the member's personal representative (if no beneficiaries are available)

Decisions based on the exercise of discretion will be made on a case-by-case basis, taking into account all relevant circumstances.

Death Grant Calculation

For members actively paying into the scheme: the lump sum Death Grant is three times the member's annual assumed pensionable pay.

For members with a deferred pension who left the scheme on or before 31 March 2008: the lump sum Death Grant is three times the member's annual pension.

For members with a deferred pension who left the scheme on or after 1 April 2008: the lump sum Death Grant is five times the member's annual pension.

For pensioners who left the member left the scheme between 1 April 1998 and 31 March 2008: the lump sum Death Grant is five times the member's pension less any pension already paid.

For pensioners who left the member left the scheme on or after 1 April 2008: the lump sum Death Grant is ten times the member's pension less any pension already paid.

In the case of a member who is actively paying into the scheme and has a deferred pension or is a pensioner, only one lump sum Death Grant is payable, and it is the greater of the Death Grants calculated.

Procedure for Payment of the lump sum Death Grant

The following procedure should be followed for the payment of the lump sum Death Grant:

1. The next of kin or legal representatives should notify us of the member's death as soon as possible.

2. The Pensions Team will provide the beneficiaries with a lump sum Death Grant claim form and guidance notes.
3. The beneficiaries should complete and return the claim form along with any supporting documents requested.
4. The Pensions Team will verify the claim and make the payment.
5. If the lump sum Death Grant is not paid within two years, beginning with the date of the member's death or the date on which the Pensions Team could reasonably be expected to have become aware of the member's death, it must be paid to the estate and a tax charge may apply.

Supporting Documents:

Supporting documents required to verify the claim include:

- Birth certificate of the beneficiary
- Valid passport
- Expression of Wish Form
- Grant of Probate
- Letters of Administration

The Pensions team are unable to pay a lump sum Death Grant without the necessary supporting documents.

Review

The Death Grant Policy was approved by the Dyfed Pension Fund Committee on in June 2025. The Committee will review this policy as required in the light of future changes to LGPS or other relevant legislation. It will also be reviewed every three years and updated as necessary; this policy will be reviewed next in June 2028.