



# UODSS & Your Pension Benefits

## University of Dundee Superannuation and Life Assurance Scheme (UODSS)

### Factsheet 12 – Death Benefits

Benefits are payable if you die while still paying into UODSS or if you have left but retain a deferred pension in UODSS, 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 UODSS, please refer to [Factsheet 13 – Leaving Service Benefits](#).

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

If you die in service before your Normal Retirement Date, a tax free lump sum is payable and a pension will be payable to your spouse. In addition, a pension may be payable to your children.

##### Death in service lump sum

A tax free lump sum of four times your Pensionable Salary is payable if you die whilst in Pensionable Service. In addition your contributions will be refunded with interest along with the accumulated value of any money purchase AVC account you have with UODSS.

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 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.

If you wish to update these details, you can obtain a nomination of beneficiary form from the UODSS website at the following address:

[www.dundee.ac.uk/media/dundeewebsite/finance/documents/pensions/uodss/uodssbeneficiaryform.pdf](http://www.dundee.ac.uk/media/dundeewebsite/finance/documents/pensions/uodss/uodssbeneficiaryform.pdf)

It is important that you complete this form so that the 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 will receive a pension payable for life if you die in service.

You may be able to nominate someone 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 (on the basis that you did not commute your pension at retirement for additional tax-free cash) or your date of death if later, and provided this is before your 75<sup>th</sup> birthday calculated using your pensionable salary at the date of your death.

##### A pension for your children

In addition, if you die leaving a child or children under age 18 (or age 23 if in fulltime education or approved vocational training) who were dependent on you when you died a pension of 25% of your pension as described above will be payable to each child (subject to a maximum of 2 children). If no spouse’s or dependants’ pension is payable, the children’s pension will be equal to one-third of your pension as described above for each child (subject to a maximum of 2 children).

##### 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 UODSS website (see prior link).

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.





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A dependant's pension may be payable if:

- 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 a 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 dependent's pension to be paid. Financial interdependence where there is joint financial commitment is usually considered to be financial dependence.

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.

## Will a pension be payable to my children if I die while in service?

A child allowance equal to one quarter of your pension is payable to each eligible child. If no spouse's pension is payable then the child allowance increases to one-third of your pension.

If your children are either under age 18 or in full time education, they will qualify for the child allowance. However, the allowance will stop at age 23 and the child allowance can only be paid to a maximum of 2 children.

## WHAT HAPPENS IF I DIE AFTER RETIREMENT?

If you die after retirement 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 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 assuming that no cash was commuted at retirement. This pension will be paid for life and increased in the same way that your own pension would have increased (after taking into account any pension increases given up as part of a Pension Increase Exchange).

Any spouse's pension which is in excess of GMP may be reduced if you were more than 10 years older than your spouse.

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

If you die within 5 years of your retirement date and are under age 75, 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.

If you are over age 75 the Trustees will continue to pay your pension until the first five years of monthly payments have been made to your dependents. This will not affect any spouse's pension paid.

## IMPORTANT NOTE

This factsheet provides a summary of your death benefits. However, your legal rights are governed by the Trust Deed and Rules of UODSS. 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.

