



The Dependants' Guide

A lush green forest scene with sunlight streaming through the trees, creating a warm and serene atmosphere. The sun is positioned in the upper right, casting long, golden rays across the scene. The trees are tall and dense, with vibrant green foliage. The foreground is filled with tall, green grass. The overall mood is peaceful and natural.

Introduction

In the main, this guide deals with the Local Government Pension Scheme (LGPS) benefits payable to dependants on the death of a Scheme member.

It explains who is eligible, how to make a claim, the necessary documents you need to produce and the procedures to follow.

It also explains about payments and methods of payments and gives examples of some of the forms that you may need to complete.

In order to register a death and claim the various benefits that are available, there is a lot to be done by way of visiting different offices and government departments.

As this booklet only covers the main aspects of registering a death and how LGPS pensions can affect tax claims and DWP benefits, additional booklets containing more detailed information to help you along the way have been included in the Bereavement Support pack or are downloadable from the Fund's web site at: tinyurl.com/y7bv8nu.

What to do After a Death, **DWP1027**

Bereavement Benefits, **DWP1005**

Benefit & Pension Rates, **BRA5DWP**

How to obtain Probate, **PA2**

Bereavement (Coping with a death),
Help the Aged

Dealing with Someone's Estate,
Age Concern

Collectively, all the information supplied should safely guide you through the overall process of registration and provide you with details of benefits.

Always remember though, that there are many people around who are more than willing to help you solve any problems and answer any queries.

And to that end, some useful contacts with telephone numbers are listed at the back of this booklet.

Furthermore, you can arrange to discuss any aspect of this Guide by contacting the Fund using the telephone number on the back page of this booklet.



A Guide to Benefits - Survivors & Children

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How to notify the Fund of a death

It is essential that the Fund is notified of a member's death as quickly as possible so that the process of establishing whether benefits are due can be started without delay.

The contact details for the Fund are: -

Address:

Merseyside Pension Fund,
P.O. Box 120,
Castle Chambers,
43 Castle Street,
Liverpool,
L69 2NW

Telephone: 0151 242 1391

E-Mail: mpfadmin@wirral.gov.uk

When contacting the Fund it would be helpful if you have the following information to hand: -

- Full name and address of the deceased
- The date of death and where the death was registered
- Whether they were an active contributing member, deferred or pensioner
- Reference number such as National Insurance number or Pension number
- Full name and address of the Next of Kin and a contact telephone number

The Fund will then write to the Next of Kin to request a copy of the death certificate and any other relevant certificates, and declarations about marital status and any eligible children.

When entitlement has been established and the relevant benefits have been calculated, the recipient will be informed and the appropriate payments made.

What benefits are payable?

Benefits usually comprise one or more of the following.

- A Lump Sum Death Grant
- A Survivor's Pension for either a spouse, registered civil partner or nominated cohabiting partner
- Children's pensions

How these benefits are calculated will depend upon whether the deceased died whilst still an active contributing member of the Scheme, a deferred member or a pensioner and subsequently either the date they ceased being a contributing member, or the date they retired. This will be covered in greater detail later in this booklet. Pension benefits are based upon the number of years membership a person has in the Scheme and their final pensionable pay. Pensionable pay is the pay upon which they paid contributions.

Pensions are payable monthly to eligible dependants whereas the Lump Sum Death Grant is a one-off payment usually made to the

beneficiaries nominated by the deceased. The beneficiary of the death grant is at the discretion of the Pension Fund, who will be guided by any nomination and as such it does not form part of the deceased's estate.

Survivors' pensions become effective from the day after the Scheme member dies. The pension payable will depend upon the number of years and days the deceased was a member of the Scheme. The exceptions to this are: -

- Widowers, where the membership used in the calculation depends upon when the deceased member retired. This is covered in more detail in the section "If the deceased retired before 1 April 2008"
- Nominated cohabiting partners for whom only membership since April 1988 is used, unless the deceased had made arrangements to purchase an earlier period of membership

Who is eligible for benefits?

On the death of a Scheme member, those eligible for survivor's and children's pensions are: -

- Legally married spouse – this also includes legally separated spouses but does not include divorced ex-spouses.
- Registered Civil Partners – this applies to all same sex registered civil partnerships but does not apply if the partnership has been legally dissolved.
- Nominated Cohabiting Partners – this does not include cohabiting partners who have not been nominated by the deceased or who do not meet the eligibility criteria. The facility to nominate a cohabiting partner only applies to people who were contributing members of the Scheme some time on or after 1 April 2008.

A nomination form, available from Merseyside Pension Fund must have been signed by both parties and received by the Fund prior to death. To be able to nominate a cohabiting partner, of either opposite or same sex, to receive a survivor's pension, all of the following conditions must have applied to both you and your cohabiting partner for a continuous period of at least 2 years on the date you both signed the nomination form:

- both you and your cohabiting partner are, and have been, free to marry each other or enter into a civil partnership with each other, and
- you and your nominated cohabiting partner have been living together as if you were husband and wife, or civil partners, and

- neither you or your nominated cohabiting partner have been living with someone else as if you/they were husband and wife or civil partners, and
- either your nominated cohabiting partner is financially dependent on you or you are financially interdependent on each other
- the nominated cohabiting partner satisfies the Fund that the above conditions had also been met for a continuous period of at least 2 years immediately prior to the Scheme member's death

Your partner is financially dependent on you if you have the highest income. Financially interdependent means that you rely on your joint finances to support your standard of living. It doesn't mean that you need to be contributing equally. For example, if your partner's income was a lot more than yours, he or she may pay the mortgage and most of the bills and you may pay for the weekly shopping.

On death, a survivor's pension would be paid to the nominated cohabiting partner if:

- the nomination has effect at the date of the Scheme member's death, and

- Eligible Dependent Children – this applies to all children of the deceased who are under age 18; or between 18 and 23 who are in full time education; or a disabled child who was dependent upon the deceased.

Those eligible to be considered by the Pension Fund for receipt of the lump sum death grant are:

- Beneficiaries nominated by the deceased
- Legal Beneficiaries of the deceased's estate
- Any person appearing to the Pension Fund to have been the deceased's relative or dependant at any time

A scenic landscape featuring a river flowing through a valley with lush green hills and mountains under a cloudy sky. The foreground is dominated by vibrant green, moss-covered rocks and grass. The river winds through the center of the valley, reflecting the sky. In the background, large, rounded mountains rise against a sky filled with soft, white clouds. The overall atmosphere is peaceful and natural.

Survivors' benefits

LGPS benefits payable on the death of a member usually comprise of one or more of the following elements.

- a survivor's pension
- a lump sum death grant

But which benefits are payable depends on whether the member dies:

- in service
- in retirement
- with a deferred pension

and, how long they were a member of LGPS

If your spouse/partner dies whilst still working

A Lump Sum Death Grant

of three times the deceased's final year's pay is paid no matter how long they have been a member of the LGPS, provided they are under age 75 at the date of death.

For part-time employees, it is three times their actual part-time pay.

A Survivor's Pension.

An ongoing pension is provided for the surviving widow, widower, registered civil partner or, subject to certain qualifying conditions, a nominated cohabiting partner.

This pension is payable immediately after death for the rest of their life and will increase every year in line with the cost of living (RPI).

Pensions may also be payable to eligible children based on the criteria given on page 8.

Benefit paid to	Pension Calculation
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Widow	Husband's final pensionable pay x 1/160 th x membership they would have built up to age 65.
Widower	Wife's final pensionable pay x 1/160 th x membership they would have built up to age 65.
Surviving Civil Partner	Partner's final pensionable pay x 1/160 th x membership they would have built up to age 65.
Surviving Nominated Cohabiting Partner	Partner's final pensionable pay x 1/160 th x membership from 6 April 1988 to age 65, plus any membership before 6 April 1988 that the Scheme member opted to pay additional contributions for.
Children	<p>The amount of pension depends on the number of eligible children.</p> <p>If a survivor's pension is to be paid to the husband, wife, civil partner or nominated cohabiting partner, one child would receive 1/320th of final pay x the membership that would have built up to age 65, while two or more children would receive 1/160th shared equally.</p> <p>If no husband's, wife's, civil partner's or nominated cohabiting partner's pension is to be paid, one child would receive 1/240th of final pay x the membership that would have built up to age 65, while two or more children would receive 1/120th shared equally.</p>

In determining survivor's and children's pensions for part-time employees who die in service, the membership they would have built up to age 65 is calculated on the assumption they would have remained part-time.

Death in Service Example

Mr. Ward age 55 dies in service. He was married, had 30 years membership and his final pensionable pay was £20,000.

Lump Sum Death Grant

3 years pensionable pay
 $3 \times £20,000 = £60,000$

Survivor's Pension

The Survivor's Pension is calculated as follows:

$\frac{40 \text{ years}}{160}$ (30 paid + 10 to age 65) \times £20,000 = £5,000

If your spouse/partner dies during retirement

The benefits payable will depend upon whether the deceased retired before or after 1 April 2008.

If the deceased retired before 1 April 2008

Lump Sum Death Grant

The retirement pension is guaranteed for 5 years. This means that the death grant payable will be based upon 5 years' pension less the pension already paid. If the deceased was on pension for more than 5 years, no death grant is payable.

Survivor's Pension

For members who retired before 1 April 2008, a survivor's pension is only payable in respect of a Spouse or Registered Civil Partner. Nominated Cohabiting Partner's pensions were not introduced until 1 April 2008 and no pension is payable to a cohabiting partner if the member retired before that date.

The amount of pension you receive can be slightly different for widows, widowers, or registered civil partners, depending on when your spouse/partner retired and whether you were married or entered into your civil partnership before or after their retirement.

Benefit paid to Pension Calculation

Widow

If you are a widow and married your husband before he retired you can expect to receive:

- A short-term pension equal to your husband's pension payable for 3 months. If there are eligible, dependent children, this pension is payable for 6 months.
- Following this you will be entitled to a long-term pension payable for the rest of your life, equal to half of the pension your husband received.

Widower

If you are a widower and married your wife before she retired and: -

A) She retired between 6 April 1988 and 31 March 1998, you can expect to receive:

- A short-term pension payable for 3 months extended to 6 months where a child's pension is payable, equal to the pension your wife would have received based on her membership from April 1988.
- Followed by a long-term pension payable for the rest of your life based upon half of the short-term pension.

B) She retired after 31 March 1998, the short and long-term pension will be based on membership of the Scheme from April 1972.

If you married your wife after her retirement, your widowers short and long-term pension will be based upon her membership of the Scheme since April 1988.

<p>Surviving Civil Partner</p>	<p>If you are a registered civil partner you can expect to receive:</p> <ul style="list-style-type: none"> • A short-term pension payable for 3 months after your partner's death. If there are eligible, dependent children this pension is payable for 6 months. This will be based upon the pension your partner would have received on their membership of the Scheme after April 1988 • Following this you will be entitled to a long-term pension payable for the rest of your life, equal to half of the short-term pension.
<p>Nominated Cohabiting Partner</p>	<p>No cohabiting partners pension is payable</p>
<p>Children</p>	<p>The amount of pension depends on the number of eligible, dependent children.</p> <p>If a survivor's pension is payable to a husband, wife, civil partner or nominated cohabiting partner, one child would receive 1/320th of final pay x membership, while two or more children would receive 1/160th shared equally.</p> <p>If there is no husband's, wife's, civil partner's or nominated cohabiting partner's pension payable, one child would receive 1/240th of final pay x the membership, while two or more children would receive 1/120th shared equally.</p>

If the deceased retired after 1 April 2008

The following benefits may be payable following the death of someone who retired after 1 April 2008.

Lump Sum Death Grant

The retirement pension is guaranteed for 10 years. This means that the death grant payable will be based upon 10 years pension less the pension already paid. If the deceased was on pension for more than 10 years, or aged 75 or over, no death grant is payable.

Survivor's Pension

A pension will be paid to the deceased's husband, wife, registered civil partner or, subject to certain qualifying conditions, a nominated cohabiting partner. This pension is payable immediately after death for the rest of their life and will increase every year in line with the cost of living (RPI).

Benefit paid to	Pension Calculation
Widow	The pension payable is equal to $1/160^{\text{th}}$ of final pay at retirement x the membership their pension is based on, unless you marry after retirement, in which case it could be less. If you marry after retiring a surviving widow's pension is based on membership after 5 April 1978.
Widower	The pension payable is equal to $1/160^{\text{th}}$ of final pay at retirement x the membership their pension is based on, unless you marry after retirement in which case it could be less. If you marry after retiring a surviving widower's pension is based on membership after 5 April 1988.

Surviving Civil Partner	The pension payable is equal to $1/160^{\text{th}}$ of final pay x the membership their pension is based on.
Nominated Cohabiting Partner	The pension payable is equal to $1/160^{\text{th}}$ of final pay x membership in the Scheme after 5 April 1988, plus any of membership before 6 April 1988 that they have paid additional contributions for so that it counts towards a nominated cohabiting partner's pension.
Children	<p>The amount of pension depends on the number of eligible children:</p> <ul style="list-style-type: none"> • If a survivor's pension is being paid to a widow, widower, civil partner or nominated cohabiting partner, one child would receive $1/320^{\text{th}}$ of final pay x the membership the pension is based on, while two or more children would receive $1/160^{\text{th}}$ shared equally. • If there is no widow, widower, civil partner's or nominated cohabiting partner's pension being paid, one child would receive $1/240^{\text{th}}$ of final pay x the membership the pension is based on, while two or more children would receive $1/120^{\text{th}}$ shared equally.

If your Spouse/Partner died with a deferred pension

The benefits payable will depend upon whether the deceased left employment with a right to deferred benefits before or after 1 April 2008.

If they left employment with deferred benefits before 1 April 2008 and die before receiving them, the following benefits are payable:

A lump sum death grant

equal to the current value of the preserved Lump Sum.

A Survivor's Pension

A pension will be paid to a surviving husband, wife or registered civil partner.

This pension is payable immediately after death for the rest of their life and will increase every year in line with the cost of living (RPI).

Benefit paid to	Pension Calculation
Widow	The pension payable is equal to $1/160^{\text{th}}$ of final pay x the membership the deferred pension is based on. "If you marry after leaving the employment, a surviving widow's pension is based on membership after 5 April 1978.
Widower	The pension payable is equal to $1/160^{\text{th}}$ of final pay x the membership the deferred pension is based on. If you marry after leaving the employment, a surviving widower's pension is based on membership after 5 April 1988.

Surviving Civil Partner	The pension payable is equal to 1/160 th of final pay times the membership the deferred pension is based on.
Surviving Nominated Cohabiting Partner	No Nominated Cohabiting partners pension is payable.
Children	<p>The amount of pension depends on the number of eligible children:</p> <ul style="list-style-type: none"> • If a survivor's pension is being paid to a widow, widower, civil partner or nominated cohabiting partner, one child would receive 1/320th of final pay times the membership the pension is based on, while two or more children would receive 1/160th shared equally between them. • If there is no widow, widower, civil partner's or nominated cohabiting partner's pension being paid, one child would receive 1/240th of final pay times the membership the pension is based on, while two or more children would receive 1/120th shared equally.

If they left employment with deferred benefits after

1 April 2008 and die before receiving them, the following benefits are payable:

A Lump Sum Death Grant of 5 times the deferred annual pension.

A Survivor's Pension

A pension will be paid to a surviving husband, wife, registered civil partner or, subject to certain qualifying conditions, a nominated cohabiting partner.

This pension is payable immediately after death for the rest of their life and will increase every year in line with the cost of living (RPI).

Benefit paid to Pension Calculation

Widow The pension payable is equal to $1/160^{\text{th}}$ of final pay x the membership the deferred pension is based on. If you marry after leaving the employment, a surviving widow's pension is based on membership after 5 April 1978.

Widower The pension payable is equal to $1/160^{\text{th}}$ of final pay x the membership the deferred pension is based on. If you marry after leaving the employment, a surviving widower's pension is based on membership after 5 April 1988.

Surviving Civil Partner The pension payable is equal to $1/160^{\text{th}}$ of final pay x the membership the deferred pension is based on.

Surviving Nominated Cohabiting Partner The pension payable is equal to $1/160^{\text{th}}$ of final pay times your membership in the Scheme after 5 April 1988, plus any of your membership before 6 April 1988 that they have paid additional contributions for so that it counts towards a

Children The amount of pension depends on the number of eligible children:

- If a survivor's pension is being paid to a widow, widower, civil partner or nominated cohabiting partner, one child would receive $1/320^{\text{th}}$ of final pay x the membership the pension is based on, while two or more children would receive $1/160^{\text{th}}$ shared equally.
- If there is no widow, widower, civil partner's or nominated cohabiting partner's pension being paid, one child would receive $1/240^{\text{th}}$ of final pay x the membership the pension is based on, while two or more children would receive $1/120^{\text{th}}$ shared equally.

Death grant nomination forms

A death grant nomination form should have been completed by each member and allows them to nominate one or more individuals or organisation to receive payment.

The Fund has absolute discretion in the payment of death grants and therefore the amount of death grant due does not form part of the member's Estate.

The advantage of nomination is that a death grant can be paid quickly without the need to obtain a Grant of Representation from the Probate Registry.

Additional pension contributions

Contributing members had the opportunity to improve retirement benefits by paying additional contributions in one or more of the following ways:

- paying additional voluntary contributions
- paying additional regular contributions
- buying extra life-cover
- buying part-time membership
- buying a bigger lump sum
- buying a period of additional membership (added years)

But what happens to those contributions when a member dies?

Death in service

Additional Voluntary

Contributions and Extra life Cover

When a member dies whilst still working and paying AVCs or buying extra life cover with one of the Fund's in-house AVC providers, the Fund arranges for the accumulated AVC fund or for the assured sum of life cover to be paid, in the same proportion, to the same beneficiaries nominated to receive the death grant payable from LGPS.

Other Additional Contributions

If the member was buying back part-time membership, buying a bigger lump sum or added years, contracts are deemed to have been paid in full and any additional membership is reflected in the benefits payable to beneficiaries.

Where a member has been paying Additional Regular Contributions (ARCs) to give additional pension at retirement and elected to provide for a survivor's pension in the event of their death, the Fund arranges for the payments to be made to the Spouse/Partner as necessary.

For more detailed information regarding additional pension contributions contact the Fund on **0151 242 1396**.

Death in retirement

When a member dies in retirement who was receiving an annuity from any of the in-house AVC providers (Equitable Life/Standard Life/Prudential), the provider should be notified of the death. If a survivor's provision was in the annuity, the provider will arrange payments.

Where a member was receiving additional pension as a result of paying ARCs, the Survivor's Pension, if originally incorporated in to the contract, is paid at half of the rate of the member's additional pension.

Death with a deferred benefit

A deferred benefit means that although a member no longer pays into LGPS they chose to leave their contributions in the Scheme.

If the member paid AVCs as well and has a deferred AVC account, the Fund co-ordinates arrangements. If the member is single, the Fund arranges to pay the accumulated fund to the same beneficiaries as those nominated to receive the death grant payable from LGPS.

If the member has made provision for an annuity to be paid to their survivor, the Fund arranges for the survivor's annuity to be calculated and paid accordingly.

Documentation

For your protection, it is essential that certain documents are produced as soon as possible in order to ensure that benefits are paid to the right people, and also to establish their identity.

- death certificate
- marriage certificate
- surviving spouse/
partner's birth certificate
- children's birth certificates
- proof of children's further
education or training
- Doctor's certificate
of disability
- Grant of Probate or
Letters of Administration

About Probate/Letters of Administration

A Grant is not necessary in order for the Fund to pay any pensions due nor is one usually necessary if a member has completed a Death Grant nomination form. (See page 20)

But a Grant may be required in order to pay a lump sum death grant* or any arrears of pension in excess of £5000 where a member has not completed a Death Grant nomination form and does not leave a spouse/partner, therefore, leaving the Fund unsure of whom to pay the benefit.

A Grant is a legal document issued by the Probate Registry authorising someone to deal with the Estate of a deceased person. That person collects all monies, settles any debts, releases capital from property and possessions and distributes the proceeds to those entitled to a share of the Estate.

The type of Grant applied for depends on whether a Will has been written.

*Please note: Lump sum Death Grants are not payable to an estate

About a Will

A Will is a legal document stating how the deceased person wishes his or her Estate to be shared.

The people to receive a share of the Estate are the Beneficiaries and the people chosen to administer the Will are the Executors, who are usually the people who apply for a Grant of Probate. This certifies that the Will is authentic.

If there is no Will

If a Will has not been written then it may be necessary to apply to the Probate Registry for Letters of Administration.

Like a Grant of Probate, Letters of Administration legally authorise someone to deal with the Estate of the deceased person.

If a Death Grant nomination form has not been completed by a member

If the Fund has not received a member's Death Grant nomination and there is no spouse/partner, you may decide to employ a solicitor to deal with the Estate on your behalf but if you wish to apply for a Grant and handle the Estate yourself, the booklet "How to obtain Probate" is enclosed in the pack which explains exactly how to go about it.

The Fund requests a copy of either a Grant of Probate or Letters of Administration before any lump sum payment in excess of £5000 can be made. Other organisations like Banks and Building societies may ask for a copy as well.

For lump sum payments of less than £5000, where Letters of Administration are not always necessary, the Fund sends the beneficiary an indemnity form to complete. This absolves the Fund of any further liability to make payments should anyone else make a claim to the Estate.

In any case, the Fund contacts you, or someone you have nominated to act on your behalf, to tell you which documents need to be seen.

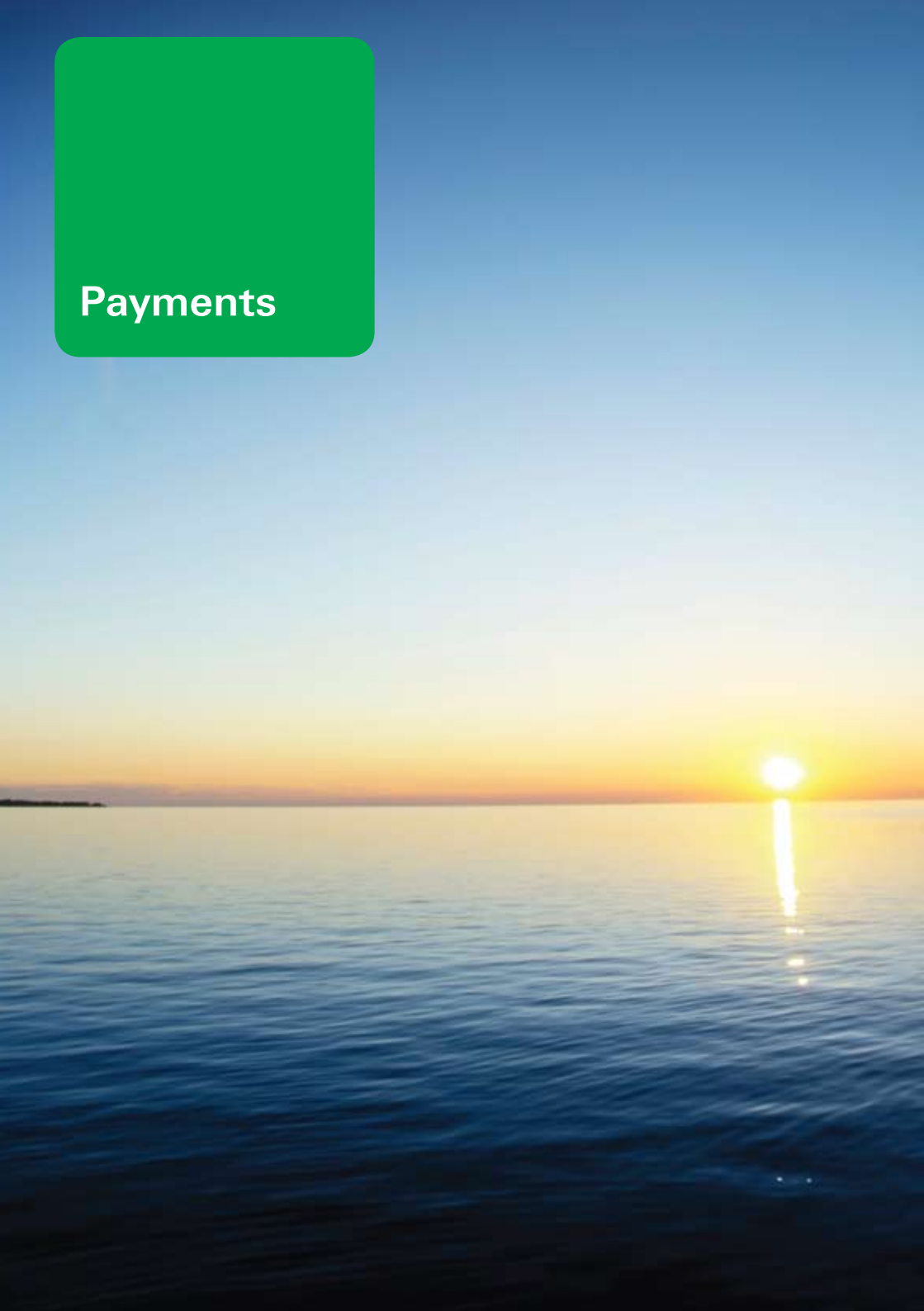
Rest assured any documents you send are copied and the originals returned straight away.

Any Queries

If you have any queries regarding documentation or benefit calculation, please contact the Fund's Benefit Section on 0151 242 1391.

The name of the person dealing with your claim is usually at the top of any letters sent to you.

Payments



Once the Fund has received all the necessary documents, details of any benefits due are forwarded shortly afterwards to you.

Lump sum death grants

The Lump Sum Death Grant can be paid to the Bank or Building Society account of the appropriate beneficiary or by cheque.

You are advised to seek some independent financial advice on how best to use or invest a lump sum payment.

Pensions

Pension payments are made monthly and are paid on the last working day before the 11th of each month. However, the first payment of pension will be paid as soon as possible.

The payments are for the whole of that calendar month. Pension payments are made by direct credit into:

- A bank account; or
- A building society account

Please Note: Pension payments can only be made into an account of which the pensioner is the sole or joint holder. We can only pay into a bank account in someone else's name when a suitable Power of Attorney exists.

Unfortunately, payment cannot be made directly to Post Office National Savings Accounts.

You will receive a pension pay advice with your first payment of pension. Thereafter pay advices are only sent in April, May (including form P60) and December or in any month when the net amount payable differs by more than 25 pence from the preceding month.

Your pension will be paid into your account whether you receive a pay advice or not.



Pension Pay Advice

PENSION NO.	TAX CODE	PERIOD	PAY DATE	NATIONAL INS NO.	PAY THIS YEAR	TAX THIS YEAR	
1	2	3	4	5	6	7	8

9

PAYMENTS (R-DEDUCTIONS)	£

NOTE
10

GROSS PENSION 11


DEDUCTIONS (R-REFUND)	£

TOTAL PENSION 12

NETT PAY 13

Merseyside Pension Fund
PO Box 120
7th Floor
Castle Chambers
43 Castle Chambers
Liverpool
L69 2NW

ANY QUERIES
T: 0151 242 1390
E: mfadmin@wirral.gov.uk

 Administering Authority
Wirral Council
Director of Finance Ian Coleman BSc CPFA

Pension Payslip Explanation

- 1 As soon as you are in receipt of a pension you are allocated a unique identification number. Please quote this number whenever you telephone or write to the Fund.

- 2 Tax code shown should normally be the same as that sent to you by the tax office.

- 3 The period is the tax month in which the tax is paid

- 4 Pay date

- 5 National Insurance number

- 6 Pay this year is the amount of pension paid to date since April

- 7 Tax this year is the amount of tax paid to date since April

- 8 This is a computer code to denote the method of payment

- 9 Your name and current address

- 10 Any important messages are shown here

- 11 Pension payment equal to 1/12 of the annual pension

- 12 Deductions are shown here. Tax is deducted automatically if due but other deductions are optional For example:

Council tax can be deducted and transferred automatically to a special account set up for you. See your Council Tax Office to make arrangements. (Except Knowsley).

i. Rent can be deducted and transferred automatically if you rent from a local authority (except Knowsley)

ii. Mortgage repayments can be deducted and transferred automatically but only if you have a local authority mortgage

iii. Merseyside Health Benefits - Medicash (Penny in the Pound)

- 13 This is your net pay which is the amount paid

First payments

Your first payment of pension is paid directly into your chosen bank or building society and covers the period from the day after your spouse/partner's death to the end of the month and usually all of the following month.

Balance or overpayments of pension

If a member dies whilst receiving a pension, a balance may be due or an overpayment may occur. It depends largely on when the Fund is notified. For instance, when a member dies prior to the 10th of the month and if the Fund is informed immediately, a balance of pension is due.

But when a member dies after payment has been made, bearing in mind that payment is for the complete month, the amount overpaid has to be recovered, usually from any dependants' pensions or lump sum due.

Payment overseas

Even if you decide to emigrate, your pension is still paid monthly into a bank account anywhere in the world. All overseas transactions are dealt with by the Fund's bankers, who make a small charge for currency conversion and transmission of the payment.

Queries

Any queries you have regarding payments should be directed to the Payroll Section at the Fund on 0151 242 1391.

Cost of living increases

Each year, Local Government pensions are increased in line with cost of living increases as indicated by the 12 month change in the Retail Price Index (RPI) at the preceding September. The increase takes place on the first Monday following the 5th April.

For those pensioners, over State Pension Age, who retired since 6 April 1978, the increase may be split between your State Pension and your LGPS pension.

**Tax
matters**



All Local Government pensions are taxable but whether you pay tax depends on the amount of your pension and your personal circumstances, that is:

- Whether you are working or have any other income
- Whether you have a lot of interest from savings
- How old you are etc.

If you are receiving a pension for the first time, then the tax office assumes that it is taxable, in full, at the basic rate, until you provide details of your personal circumstances.

The Lump Sum Death Grant is not taxable, nor does it form part of the estate for inheritance tax purposes.

All Pension payments are taxable and are initially taxed under an emergency code until a correct code is received from the Tax Office. The Pension Fund will send you a form to complete and forward to the Tax Office so that they can make their assessment and issue a revised Tax Code. No refunds of tax or other adjustments can be made until the Tax Office confirms the correct code.

The tax office which deals with your payments is:

**HM Revenue and Customs
Merseyside Area
(Reference 428/M1)
Regian House,
James Street,
Liverpool,
L69 9DB
T: 0845 302 1459**

How tax works

Money you receive or earn is called income and is subject to income tax, but everyone is allowed to receive a certain amount of income before tax is due. These are known as tax allowances and vary depending on your circumstances.

What counts as income

Income can come from many different sources and in the main include:

- state retirement pension
- state widow's pension
- occupational pension
- earnings from employment
- interest from investments and savings
- benefits received whilst registered unemployed or sick

The tax office needs to find out the full amount of your income and your personal circumstances so that they can determine your tax allowance. You provide this information by completing a tax form (P161).

Tax allowances

Some allowances which may be given are:

- personal allowance
 - which everyone receives
- age allowance - if you are 65 or over and provided your income is below a certain level, currently £22,900 the personal allowance is replaced by the age allowance which is greater
- Additional personal allowance - an extra allowance for those who are single and have children under 16 years

Tax procedures

On behalf of the tax office at Regian House, the Fund sends you tax form P161 and leaflet IR23 together with an explanatory letter.

This tax office won't know anything about you, how old you are, whether or not you are working and so on. It is therefore very important that you complete form P161 straightaway.

Once the tax office has determined your level of personal allowances, the tax-free amount of income you are allowed, they inform you of the code to be applied against your Local Government pension.

Tax cannot be deducted at source from any state pension or benefit, therefore any tax due is usually deducted from your Local Government pension.

Do bear in mind though, until the tax office issues the correct code, the Fund has to operate a temporary code to tax your pension.

Calculating a Tax Code

	£	p
Personal Tax allowance	=	9490.00
State Pension £97.65 x 52	=	-5077.80
		<hr/>
		4412.20

In the above example, a code of **441** followed by a letter suffix would therefore be issued and used to tax any occupational pension.

The tax year

Each tax year starts 6 April and the tax office at Regian House normally issue new codes, where necessary, around January each year for **the following tax year**.

The form sent informing you of your code form P2, is for information only because, at the same time, the tax office automatically informs the Fund of your new code. For your own peace of mind, you do not need to do anything other than check the code on your April payslip.

Do, please, keep your P60 in a safe place as the DWP and other organisations often ask to see it as proof of earnings when making a claim for:

- tax rebates
- housing benefit
- council tax benefits
- student grants etc.
- income support

Tax code changes

There are two things, which probably affect your tax each year: Social Security benefit changes and the Budget. The Secretary of State reviews Social Security benefits and pensions and the Chancellor of the Exchequer announces the Budget in March each year and changes are made effective the following April.

Any increases in State Benefits and the level of personal allowances, the amount one is allowed to receive before paying tax, may affect your tax coding. In any case the tax office informs you and the Fund of the new code to be put into operation. There is no need for you to do anything.

What happens to your tax arrangements if you are working

If you are working, the Fund sends you tax form P161 which asks for details of your current employer and earnings.

You must complete this form. The tax office then contacts your employer's tax office and between them it is agreed how your tax is administered.

Do remember that you are only entitled to one lot of tax-free allowances. Usually the code operated by your current employer gives you the tax-free allowance, and the code used on your pension means that you pay the full 20% of the total amount.

However, whatever arrangements are made, the tax office informs you of the details.

If your spouse/partner paid tax on his or her wages or pension before they died, there may be a repayment of tax due to their Estate.

Any repayment is normally paid to the person who has been issued with a Grant of Probate or Letters of Administration but in the event that Probate is not necessary, a tax form **R27** is available on request from the tax office.

Queries about Tax

If you have any queries relating to tax matters contact the tax office at Regian House telephone **0151 242 8000**.

To help the tax office to quickly locate your file, always quote the reference number 428/M1 and your National Insurance number.

**Your Local
Government
pension and
other benefits**



Some people get confused about what is classed as income when claiming State Benefits. As well as being taxable, pensions are classed as income and should be declared on forms for things like income support, rent rebate and housing benefits.

As well as your Local Government widow's or widower's pension you may also be receiving the following benefits from the DWP:

- State retirement pension
- State widow/widower's pension
- Disability living allowance
- Attendance allowance
- Incapacity benefit

Your Local Government pension does not affect any of the above pensions and allowances. However, if you are in receipt of: -

- Income support
- Housing benefits
- Council tax benefits

...these are likely to be affected by your Local Government pension and the amounts you receive probably need revision. You are advised to discuss this with the DWP, your Local Authority Housing Office or Council Tax Office.



Merseyside Pension Fund takes every step to ensure that the information we have concerning our pensioners is dealt with in the strictest confidence and is not revealed to anyone else who does not have a legal right to see it.

We must protect the public funds we handle regarding your pension. To do this we may use information you have provided to prevent and detect fraud. Statutory obligations may also require that this information be shared for the same purpose with other organisations that handle public funds.

Changes in Circumstances

In the event of a change in your details or circumstances, please inform the Fund in writing, as soon as possible.

Remember though, pensions are paid monthly and the cut-off date for preparing the payroll is 22nd of each month. Any changes received after the 22nd are not effective on the payment you receive the following month.

In order to help the payroll section to quickly extract your records, please quote your National Insurance or pension number together with your telephone number, if any. In the event of a query, this allows a member of the payroll section to quickly contact you and advise on what is required.

If you need help with the letter, please telephone the Payroll Section on **0151 242 1391**.

Changes of details

Should any of your details change, such as address or bank account it is important that you notify the Fund. Changes should be submitted in writing, although it is possible to change address using the facility on the Fund's website at: tinyurl.com/yd26jr3

Merseyside Pension Fund services

The Fund is responsible for looking after the pension arrangements of former and current employees of Local Authorities on Merseyside: Liverpool, Knowsley, Sefton, St. Helens, Wirral and over 100 other organisations.

As one would expect from one of the largest Local Government pension funds in the country, the Fund offers a wide range of services to their members.

Staff are trained to deal with any questions from Scheme members helpfully and sympathetically, and you are encouraged to seek the support offered.

Reception

Members and pensioners with any pension related queries can visit the office in Castle Chambers, 43 Castle Street, Liverpool, which is open daily from 9 a.m. to 5 p.m. If you want to see someone in particular, you are advised to telephone to make a mutually convenient appointment.



Annual Report and Accounts

Copies of the Fund's latest Annual Report and Accounts, giving details of membership, income, expenditure and investments are available on request or may be downloaded from: tinyurl.com/y92uz92

My Pension ONLINE

My Pension Online allows registered users to view details of any relevant membership(s) of the Local Government Pension Scheme (LGPS) administered by Merseyside Pension Fund and calculate their own pension estimates.

If you have not yet registered to use the service and wish to do so, go to mpfmembers.org.uk

Keeping in touch with you

"Honey Pot", the Fund's own in-house newsletter is distributed periodically to all members and pensioners. It contains a host of useful information for all and includes a section with interesting and topical news relating specifically to Local Government pensioners.

If you have any queries relating to any aspects of this booklet, need

help with filling in forms or advice in general, please telephone the Welfare Officer on **0151 242 1362** who is more than willing to discuss the details in strict confidence.

You are either given advice personally or put in touch with the right person to help you. In certain circumstances, a home visit can be arranged.

Internal dispute resolution procedure

If you have a dispute about your pension, whether it is regarding a decision made by your employer or the Fund which affects your benefits, the Fund has an 'Internal Dispute Resolution Procedure' to help you.

The review process begins with the Internal Disputes Resolution Procedure and, if no satisfactory answer is found, continues to The Pensions Advisory Service (TPAS) and finally, the Pensions Ombudsman, whose decision is final and binding.

What you should do

Stage 1

Write, within 6 months of the original decision, to whoever made the decision.

If this is your employer, your Pension Liaison Officer, usually located in the Finance Department, will advise you who to write to.

If the complaint is against the Fund, write to:

**The Nominated Person,
Merseyside Pension Fund,
PO Box 120, Liverpool,
L69 2NW**

You should receive a decision within 2 months.

Stage 2

If you disagree with the Stage 1 decision, you have a further 6 months to appeal to the Stage 2 referee.

All correspondence should be addressed to:

**The Pensions Referee,
Merseyside Pension Fund,
PO Box 120, Liverpool,
L69 2NW**

You should receive a decision within 2 months of your appeal. >>

The Pensions Advisory Service Ltd (TPAS)

TPAS is available at any time to help members and beneficiaries of the Scheme with any difficulties, or when they may not have been able to resolve a problem with the Fund. OPAS can be contacted at:

TPAS, 11 Belgrave Road, London SW1V 1RB
www.pensionsadvisoryservice.org.uk

Pensions Ombudsman

The Pensions Ombudsman is an independent expert in pensions matters who can investigate complaints of injustice caused by maladministration. The Pensions Ombudsman can be contacted at:

1st Floor, 11 Belgrave Road, London SW1V 1RB
www.pensions-ombudsman.org.uk

Registrar of Occupational and Personal Pension Schemes

Occupational pension schemes must be registered with the Registrar of Pension Schemes. The purpose of the register is to help individuals who have lost contact with their previous pension schemes in order to trace their rights. To trace a previous pension contact:

Pension Schemes Registry, PO BOX 1NN, Newcastle-upon-Tyne NE99 1NN
www.thepensionsservice.gov.uk/pensiontracing

The Pensions Regulator

The pensions regulator is able to intervene in the running of schemes where fund administrators, employers or professional advisers have failed in their duties. The pensions regulator may be contacted at:

**The Pensions Regulator, Invicta House, Trafalgar Place,
Trafalgar Street, Brighton, East Sussex BN1 4DW**
www.thepensionsregulator.gov.uk

Useful contacts

Merseyside Pension Fund: MFP administers the Local Government Pension Scheme on Merseyside.
www.mpfmembers.org.uk Tel: 0151 242 1391

Citizens Advice: The Citizens Advice service helps people resolve their legal, money and other problems by providing free information and advice from over 3,000 locations, and by influencing policymakers.
www.citizensadvice.org.uk

HM Revenue and Customs: HM Revenue and Customs are here to ensure the correct tax is paid at the right time, whether this relates to payment of taxes received by the department or entitlement to benefits paid.
www.hmrc.gov.uk/bereavement/index.htm Tel: 0151 471 8435

State pensions: For information about State pensions please contact The Pensions Service, which is part of the Department for Work & Pensions.
www.thepensionsservice.gov.uk/state-pension/serps/whats-changing.asp
Tel: 0845 6060265

Job Centre Plus (JCP): JCP is part of the Department for Work and Pensions and is available to deal with enquiries regarding bereavement benefits.
www.tinyurl.com/d4qd3f Tel: 0800 055 6688

What to do after a death – a helpful checklist: When someone dies there are many decisions and arrangements to be made. Sadly, these have to be made at a time of personal distress. Some of these things can be done by a close relative or friend; others need to be done by the executor or administrator of the estate. These are people appointed who will carry out the terms of a will.
www.tinyurl.com/c3s9h5 (Directgov website)

How to find us

Directions from North Wales/Chester/Wirral

Follow M53 Motorway northbound as far as Junction 3 (it is of course possible to continue and use the Wallasey Mersey Tunnel but reaching us from the exit of that tunnel is more complicated).

Follow signs for Birkenhead Town Centre / Liverpool on A552 for approx 3 miles until the approach to Birkenhead Toll Tunnel. The Toll is currently £1.40.

On entering the tunnel keep to left hand lane - it is compulsory to keep to the same lane within the tunnel - this will make turning left immediately after the tunnel exit easier.

At the exit of the tunnel there is a small roundabout - the first exit of the roundabout is signposted for Dale Street. Turn left into Dale Street and continue until the set of

traffic lights at the point where the flyover merges with Dale Street.

About 400 yards ahead on Dale Street is Liverpool Town Hall (the pillared building which protrudes slightly into Dale Street). Castle Street is the road on your left. Turn into Castle Street. Level access is available from the 43 Castle Street entrance.

Directions from the M62

Follow M62 westbound to the end at Junction 4. At end of M62 follow signs for Liverpool City Centre/Albert Dock.

Follow Edge Lane dual carriageway for approx 2 miles until the road is reduced to only one lane as it approaches the junction with Holt Road. From this point it is best to keep to the left in readiness for a left turn further ahead.

At traffic lights after those at Jubilee Road take the left hand lane which turns left into a one-way system and then downhill to the right around the church into Irvine Street/Pembroke Place and past the Royal Liverpool Hospital into London Road.

Continue downhill the full length of London Road toward the end of London Road be ready to turn right

at the T junction. A tall monument and the Liverpool Museum are opposite the end of London Road.

After turning right at the end of London Road, keep to the left in order to be ready to turn left at the traffic lights which then lead onto Churchill Way flyover.

The flyover leads to a set of traffic lights at the start of Dale Street. About 400 yards up Dale Street on the right is Liverpool Town Hall which is the pillared building which protrudes out into Dale Street slightly. At the Town Hall turn left into Castle Street.

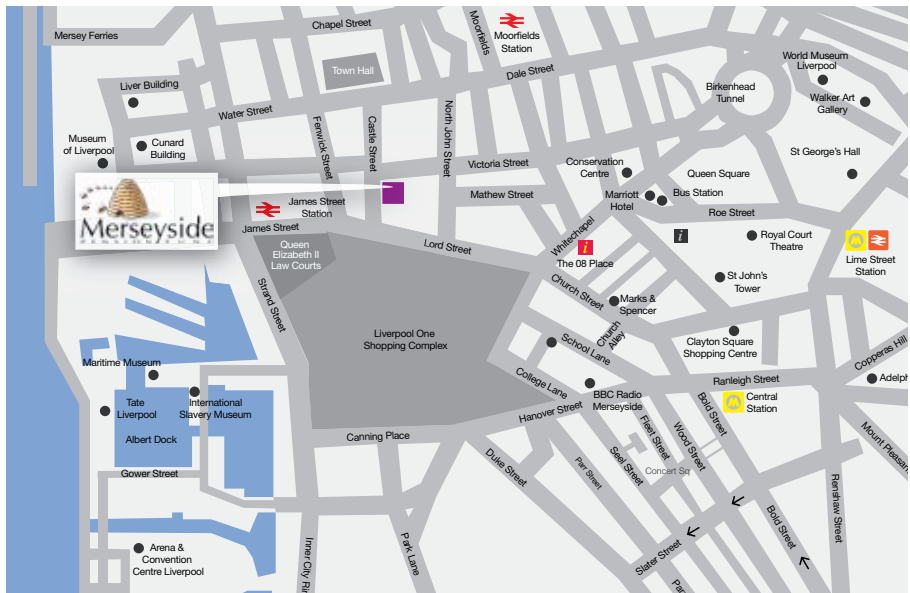
Level access is available from the entrance via 43 Castle Street.

Travelling by train

Liverpool Lime Street Station is a ten minute walk across the City Centre to Castle Chambers. If you do not know central Liverpool we would suggest you take a taxi.

An alternative is the underground rail link on the Wirral Line - James Street Station is the second stop from Liverpool Lime Street Station and is around the corner from our offices.

To check the timetables for local trains, you may want to use the website of Merseyrail. You can check out real time service information and facilities at local stations. You can also link to National Rail sites to check information if you are travelling from further afield.





Merseyside Pension Fund
7th Floor
Castle Chambers
43 Castle Chambers
Liverpool
L69 2NW

T: 0151 242 1391

F: 0151 236 3520

E: mfadmin@wirral.gov.uk

www.mpfmembers.org.uk