



Merseyside Pension Fund Fact Sheet 6: Changes to Dependant's Benefits (February 2010)

There have been recent changes to the Local Government Pension Scheme (LGPS) which may affect the survivor's pension payable on your death if you are in a registered civil partnership, or you have nominated a cohabiting partner to receive a survivor's pension, **and** you have LGPS membership before 6 April 1988.

These changes alter the way that a survivor's pension for a Registered Civil Partner (RCP) is calculated, and introduce a new option to buy extra survivor's pension for a Nominated Cohabiting Partner (NCP).

A civil partnership is a relationship between two people of the same sex (civil partners) which is formed when they register as civil partners of each other.

To be able to nominate a cohabiting partner, of either opposite or same sex, to receive a survivor's pension on your death, your relationship has to meet certain conditions laid down by the LGPS. You can find these conditions at the end of this leaflet.

Changes to Civil Partner's Survivor's Pension

Before the change, a survivor's pension for a Registered Civil Partner (RCP) was based on LGPS membership **from 6 April 1988**. This meant that if you had membership before 6 April 1988, not all your LGPS membership was used in calculating a civil partner's pension payable on your death.

The change means that **all** your LGPS membership will be used in calculating a civil partner's pension. This change has been backdated to apply from 1 April 2008, and covers scheme members who have paid into the scheme on or after then.



Therefore, for scheme members who have paid into the scheme on or after 1 April 2008, a surviving civil partner's pension is now calculated as follows:

If you die in service as a member of the LGPS, the pension payable to your surviving civil partner is equal to 1/160th of your final pay times the membership you would have built up to age 65. If you are part-time, membership to age 65 is calculated assuming you had remained part-time through to then.

If you die after leaving on pension or with a deferred pension, the pension payable to your surviving civil partner is equal to 1/160th of your final pay times the membership your pension/deferred pension is based on.



Paying extra to provide additional survivor's pension for your Nominated Cohabiting Partner

A survivor's pension for a Nominated Cohabiting Partner (NCP) was introduced into the scheme from 1 April 2008, provided you paid into the LGPS on or after then, and is based on your LGPS membership from 6 April 1988.

If you have membership **before 6 April 1988**, you can now choose to **pay extra contributions** so that your pre 6 April 1988 membership can also count in calculating your nominated co-habiting partner's pension on your death. This will increase the pension payable to them.

You can opt for all of your pre 6 April 1988 membership to count towards a surviving NCP pension, or you can opt for just part of it (in complete years) to count. You have to be under age 65 to start to pay these extra contributions.

An option to buy extra surviving NCP pension has to be made by 31 March 2011.

The cost to you of buying extra surviving nominated co-habiting partner's pension is calculated in accordance with actuarial tables and guidance from the Government which can be reviewed at any time. Any change in the cost would only apply from 1 April following a review.

If you leave or retire before completing payments, your extra contributions will cease and the proportion of your pre 6 April 1988 membership that you have paid for at the time of leaving will be included in calculating any survivor's pension payable to a nominated co-habiting partner on your death.

However, if you are still paying these when you retire and you qualify for the type of ill-health pension where your benefits are based on enhanced membership, or you are still paying the extra contributions and you die in service, then all of the period of your pre 6 April 1988 membership that you set out to buy will be included in calculating any survivor pension payable to a nominated co-habiting spouse, even if you have not completed full payment for it.

You can choose to stop paying these extra contributions at any time by notifying the Fund and your employer in writing. The proportion of your pre 6 April 1988 membership that you have paid for at the time you stop payment will be included in calculating any survivor's pension payable to a nominated co-habiting partner on your death.

If, after starting to pay extra contributions, you write to the Fund to revoke your nomination of a cohabiting partner (e.g. if you are no longer living together), the extra contributions already paid will be used to buy extra pension for yourself.

For more details and a quotation, contact the Fund. You may be required to undergo a medical examination at your own expense before being allowed to pay extra contributions so that your pre 6 April 1988 membership can also count in calculating a nominated co-habiting partner's pension on your death.

To be able to nominate a cohabiting partner to receive a survivor's pension on your death, you have to have paid into the LGPS on or after 1 April 2008 and your relationship has to meet certain conditions laid down by the LGPS.

All of the following conditions must apply to both you and your nominated co-habiting partner and each condition must have applied for a continuous period of at least 2 years on the date you both sign the nomination form:

- both you and your NCP are, and have been, free to marry each other or enter into a civil partnership with each other, and
- you and your NCP have been living together as if you were husband and wife, or civil partners, and
- neither you or your NCP have been living with someone else as if you/they were husband and wife or civil partners, and
- either your NCP is, and has been, financially dependent on you or you are and have been financially interdependent on each other.

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 is 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.

You make a nomination by completing a nomination form LGP25a which is available from the Fund or to download at: <http://mpfmembers.org.uk/pdf/LGP25a.pdf>

These changes to the LGPS do not affect the survivor's pension payable to a husband or wife or to eligible children on your death.

More information

For more information or if you have a problem or question about your LGPS membership or benefits, please contact:

Address:

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

Opening Hours: Monday - Friday 9.00am - 5.00pm

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This leaflet is a brief guide on the changes to dependant's benefits in the LGPS for Employees in England and Wales from 31 December 2009. It is for general use only and does not cover every personal circumstance. It does not cover councillor members of the LGPS. In the event of any dispute as to benefits due under the LGPS the appropriate legislation will prevail. This leaflet does not confer any contractual or statutory rights and is provided for information purposes only.