

## A GUIDE TO DEATH BENEFITS (Retired Members)



### Notice for the visually impaired

Copies of this guide in large type and in a text-only format are available from the Fund Office. Please write to TfL Pension Fund, 8<sup>th</sup> Floor, Palestra, 197 Blackfriars Road, London SE1 8NJ, or email the Fund Office at [helpdesk@tflpensions.co.uk](mailto:helpdesk@tflpensions.co.uk)

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# INTRODUCTION

This guide is intended for **Retired Members** of the Fund and potential beneficiaries and those dealing with the affairs of a deceased **Retired Member**.

This guide explains the benefits the Fund offers as well as details of the information we would need following the death of a **Retired Member**.

## IMPORTANT NOTE

The TfL Pension Fund (the Fund) is established under a Trust and the formal Trust Deed and Rules determine the benefits provided by the Fund except where they are overridden by legislation.

The guide attempts to summarise the provisions of the Trust Deed and Rules as at November 2023 that are relevant to retired members. However, it is only a guide.

The Trust Deed and Rules are lengthy and technical documents, but they are available on the Fund's website ([www.tflpensionfund.co.uk](http://www.tflpensionfund.co.uk)) or on request to the Pension Fund Office of TfL (the Fund Office).

In short, should there be any discrepancies between the information in this guide and the Trust Deed and Rules, the Trust Deed and Rules will always prevail.

If you have any questions about the Fund and the benefits it provides, you should contact the Fund Office. Please see the back cover for details.



# TYPES OF DEATH BENEFIT



## BENEFITS

As a Retired Member the Fund provides benefits for your family offering security and peace of mind for you and your dependants.

## LUMP SUM

On death in retirement or ill-health retirement, a lump sum may be payable depending on the following circumstances:

### On death in retirement

- ◆ If no pension is payable to an adult dependant, legal spouse, civil partner or eligible child, the lump sum amount would be the lesser of five times your full pension at retirement or four times your pensionable salary. In either case, any lump sum and pension you have already received would be deducted
- ◆ If a pension is payable to an adult dependant, legal spouse, civil partner or eligible child, the lump sum amount would be equal to  $\frac{3}{80}$  multiplied by pensionable service multiplied by pensionable salary at the date that you left service, less any lump sum and pension you have already received

### On death in ill-health retirement

- ◆ If you retired from service on an ill-health pension after more than five years' pensionable service, your ill-health pension is still in payment on death and you die before age 65, the lump sum amount will be four times your pensionable salary at the date you left work. Any lump sum and pension you have already received would be deducted
- ◆ If you retired from service on an ill-health pension and had between two and five years' pensionable service, your ill-health pension is still in payment on death and you die within five years of retirement and before reaching age 65, the amount payable will be four times your pensionable salary at retirement. Any lump sum and pension you have already received would be deducted.

If you have paid Additional Voluntary Contributions (AVCs) the value of your accrued AVCs will also be payable as a lump sum.



## Trustee discretion

If a lump sum benefit is payable following your death, the Trustee has absolute discretion to pay it to one or more persons and in a way they decide is appropriate.

Lump sum death benefits paid from pension schemes are exempt from inheritance tax only if they are paid at the Trustee's discretion.

If a member's estate has a legally enforceable right to the lump sum death benefit, inheritance tax is payable on it, providing the amount qualifies for inheritance tax.

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## Expression of Wish form

In exercising discretion in relation to the payment of the lump sum benefit, as described above, the Trustee will take into consideration your wishes as indicated on an Expression of Wish form, although the Trustee cannot be bound by your Expression of Wish form.

You may have already completed an Expression of Wish form advising the Trustee of your wishes, but it is important that you make sure that this is kept up to date, particularly if your circumstances change.

Changes can include your marital status or number of children. If you have been retired for more than 5 years, unless you retired due to ill health and are under age 65 there will be no lump sum payable.

The Trustee can only consider an Expression of Wish form that they had received prior to a member's death.

An Expression of Wish form can be completed through our Pension Web Portal, alternatively you can download a form from the Fund's website at [www.tflpensionfund.co.uk](http://www.tflpensionfund.co.uk) or you can obtain one from the Fund Office.

If you have a Will that sets out how you would like the Fund's benefits to be distributed, please indicate this on your Expression of Wish form. However, bear in mind that if you wish the Trustee to consider making any payment to a charity, this must be notified specifically on an Expression of Wish form.

If you have not completed an Expression of Wish form, or if your circumstances have changed since you last completed one, please complete an Expression of Wish form today.





## ADULT DEPENDANT'S AND ELIGIBLE CHILDREN'S PENSIONS

If you had at least 2 years' total membership of the Fund at the date you left the Fund, your adult dependant and or eligible children could receive a pension on your death.

### Adult Dependiant

An adult dependant can receive a pension of one-half of your full pension at retirement, regardless of any lump sum or variable pension that you may have already received, plus pension increases up to the date of death.

If you have a legal spouse or civil partner who is not your adult dependant, they may be entitled to receive a pension in respect of any period of contracted out employment. In this case any adult dependant's pension will be reduced by the amount payable to your legal spouse or civil partner.

### Eligible Children

Up to four eligible children can receive a pension at any one time. Their pension is a proportion of your full pension at retirement, regardless of any lump sum or variable pension that you may have chosen, plus pension increases up to the date of death.

Pensions can be paid to up to four children at any one time. If you have more than four eligible children, a younger child will start receiving a pension once an older child's pension stops. Pensions that are payable to eligible children are a proportion of your pension as follows:

Number of children	Proportion
One	One quarter
Two	One quarter
Three	One sixth
Four	One eighth

If no adult dependant's pension is payable, each child's pension will be doubled.



## DEFINITIONS

Adult Dependant and Eligible Children are defined terms under the Fund Rules and these are set out below:

### Adult Dependant

A person who is, in the opinion of the Trustee, dependent on you for support and the maintenance of their accustomed standard of living when you die.

Evidence of dependency will be required. An adult dependant's pension is payable for their lifetime. Your adult dependant can be:

- ◆ Your legal spouse or civil partner
- ◆ Your partner, including a partner of the same sex
- ◆ Any other person who is dependent on you

A child over 23 cannot be classed as a dependant.

### Eligible Children

Children who are, in the opinion of the Trustee, dependent on you for support and maintenance of their accustomed standard of living when you die.

Evidence of dependency will be required. A child's pension is payable until their 18<sup>th</sup> birthday, but can continue to their 23<sup>rd</sup> birthday if still in full-time education or professional or vocational training. An eligible child can be:

- ◆ Your own child
- ◆ An adopted child
- ◆ A stepchild
- ◆ A child for whom, in the opinion of the Trustee, you acted as a parent

For a child who is, in the opinion of the Trustee, mentally or physically disabled at the time you die (or becomes so disabled before the age of 18) and unable to earn an income, the pension can continue for their lifetime.

A child who is born within 12 months of your death, who would have qualified under the above criteria at the date of your death, may also be classed as an eligible child.

# INFORMING US OF A DEATH

When a Retired Member dies, it is important that the Fund Office are notified, you can notify us:

- ◆ By telephone by calling 01737 235 298
- ◆ By completing our contact form on the website
- ◆ By writing to us at 8<sup>th</sup> Floor, Palestra, 197 Blackfriars Road, London SE1 8NJ

## What happens next?

Once we are notified of the death of a Retired member we will write to the next of kin or informant requesting additional information, we will ask for:



**A deceased member information form to be completed**



**A copy of the Death Certificate**



**A copy of any Marriage or Civil Partnership Certificate**



**A copy of any spouse or partner's Birth Certificate**



**Copies of Birth Certificates for any Eligible Children**

We may need additional information in the following circumstances:

- ◆ If an Adult Dependant was living with the member at date of death but not married to or in a civil partnership with the member documentary evidence will be needed to establish dependency. The following are examples of what is accepted:
  - Joint household bills
  - Joint mortgage or rent documents
  - Letter from local council, gas and electricity companies (or similar organisations) confirming residence
  - Electoral register
  - Doctor's letter confirming the address held in medical records
  - Joint bank or building society accounts
- ◆ If a person making a claim as an Adult Dependant was not living with the member at date of death documentary evidence will be needed to establish dependency. The following are examples of what is accepted:
  - Maintenance Order
  - Bank statements or other evidence of payment from the deceased
- ◆ If there is a child over the age of 18 who is disabled and unable to earn an income:
  - Please provide evidence, such as a letter from the child's doctor or consultant. We will need medical evidence to show that this was the case when the child was 18 years of age.

If you have any questions in respect of the information we request, the Fund Office team are available to help you.

## Pension Payments

Once we are notified of the death of a pensioner we will stop future pension payments to the deceased member.

It may be that payments have already been made to the deceased's bank account after the date they died; any payments made after the date of death are not due and we will write with details of any overpayment and the process for repayment to the Trustee when we write with details of any benefits payable.



# NOTIFICATION OF BENEFITS PAYABLE

Once we have received all of the information requested we will review this to ascertain whether we have sufficient information to determine the benefits payable and if we need any further information we will provide details of the information that we need.

Where there are children over the age of 18 continuing in further education we will need confirmation from their college or university and will provide forms for completion in these circumstances.

In some cases it may be necessary for the case to be referred to the Trustees to determine the benefits payable; if this is the case we will let you know.

Once the benefits and recipients have been determined we will write to advise the amounts payable and to whom they are payable, requesting confirmation of the account into which payment is to be made.

## Lump Sum Benefit

Where this is paid at the discretion of the Trustee the payment is tax free and does not form part of the estate for inheritance tax purposes.

Where any lump sum is payable to a child under the age of 18, the Trustees will hold this amount in an interest bearing account until the child reaches the age of 18.

## Adult Dependants Pension

This is payable for life, the pension is payable 4 weekly in advance and is subject to tax under PAYE, any arrears due will be included in the first pension instalment.

The pension is subject to increases in line with the Fund Rules.

## Eligible Children's pensions

For children over the age of 18 we will pay the pension direct to them while for children under the age of 18 payment will be made to the parent or guardian unless they request otherwise.

The pension is payable 4 weekly in advance and is subject to tax under PAYE and any arrears due will be included in the first pension instalment.

The pension is subject to increases in line with the Fund Rules.

These are payable until age 18, however if the child is continuing in education beyond age 18 payment will continue until the earlier of age 23 and the date continued education ceases.

Once a child reaches age 18 we will request evidence of continued education and annually thereafter. If we do not receive the necessary evidence of continued education, payment will be suspended until such time as it is received.

Once full time education ceases the eligible child's pension will cease to be payable, if education ceases earlier than the course end date that we have been advised, the Trustee will request the return of any overpaid pension instalments.

## HOW YOUR PENSION IS PAID

Once any pensions due have been set up for payment we will write to confirm when the first instalment will be paid, this letter will also include confirmation of your member number which you will need when contacting us.

Your Fund pension is paid to you in four-weekly instalments in advance. It, and any lump sum payment, is paid directly into your bank or building society account.

Pension payments are usually made on Mondays, or the following working day in the case of bank holidays.

The first time you receive a pension payment, we will send you a payslip showing your gross and net pay. After this, we will send payslips annually at the beginning of the tax year only, and also if your pension payment changes by more than £10 compared with the previous pay period.



## TAX ON PENSIONS

Your four-weekly pension is treated as earned income and is therefore subject to taxation under the PAYE system. HM Revenue & Customs (HMRC) will advise both you and the Fund Office of the tax code to be used.

We will include a P60 form with your annual payslip to help you with your tax return.

You can register to use our Pension Web Portal where you will be able to view or download all your four weekly payslips online – even those that are not sent to you; in addition you can view or download P60 information. More information on this service can be found on the Fund's website at [www.tflpensionfund.co.uk](http://www.tflpensionfund.co.uk).

For more information about tax on your pension, you can visit the HMRC website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

The Fund is not authorised to deal with enquiries about tax matters, and all enquiries should be referred to HMRC Taxes at:

Pay As You Earn and Self Assessment  
HM Revenue and Customs  
BX9 1AS

Telephone number: 0300 200 3300

If you contact HMRC, you will need to tell them your National Insurance number and the Fund's reference, which is 083/LT7.



## FURTHER INFORMATION

Further information can be found in our Guide for Adult Dependants and Eligible Children.

# THE TFL PENSION FUND OFFICE

The staff in the Fund Office will be pleased to answer any queries you may have. They cannot give financial advice or deal with tax matters but will be able to point you to who to contact for the assistance you need.

## **They can be contacted at:**

TfL Pension Fund  
8<sup>th</sup> Floor, Palestra  
197 Blackfriars Road  
London SE1 8NJ

**Email at:** [helpdesk@tflpensions.co.uk](mailto:helpdesk@tflpensions.co.uk)

If you are telephoning the team, you can reach the call centre on **01737 235 298**. Please have your Member number and National Insurance number to hand when you call.

## Fund Office appointments

The Fund Office team are working on a hybrid basis so we are now able to see visitors in the office, but with fewer people in the office each day we require that you contact us to book an appointment by email or telephone to ensure that a member of the team is available to help you.

If you have access to the internet, you can access our Pension Web Portal and find lots of information, including forms and Fund documents, on the Fund's website at [www.tflpensionfund.co.uk](http://www.tflpensionfund.co.uk)