

APPENDIX C



Leicestershire Local Government Pension Scheme

Distribution of Death Grant Policy

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Leicestershire County Council as the Administering Authority of the Leicestershire Pension Fund is responsible for setting policies, strategies and statements to ensure the Fund's obligations to its members, employees and stakeholders are met. These are available [here](#).

This draft policy has been prepared for presentation to the Local Pension Board on 8th November and for subsequent approval by the Pension Committee on 21st January 2022.

1 Introduction

This is the Distribution of Death Grant Policy for Leicestershire Pension Fund, which is managed by Leicestershire County Council.

In many cases the distribution of a death grant following the death of a scheme member is straightforward. However, there are a significant number of situations where, for a variety of reasons, deciding who the death grant should be paid to is more complex. It is important therefore that the Fund has a clear policy regarding how the distribution of monies is managed.

2 Policy Objectives

The policy objectives aim to ensure the Fund:

- Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
- Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and their families.
- Avoids the Internal Dispute Resolution Procedure (IDRP) where possible, by managing the process effectively.

3 Purpose of the Policy

The policy is designed to provide assurance to the Fund's stakeholders that death grants are distributed in a fair manner, taking into account wherever possible the wishes of the deceased member but also the circumstances of the family or other relevant parties.

4 Effective date and reviews

This policy was first presented to the Local Pensions Board on 8 November 2021 and approved by the Pensions Committee on **{insert date}**. The policy will be reviewed by officers every two years and will be presented to the Board and Committee if changes are required.

5 Scope

The policy applies to:

- All members who are entitled to a payment of a death grant following their death;
- Their beneficiaries;
- Administrators of the scheme;
- Any third party who believes they have the right to an element of the death grant.

6 Distribution of the Death Grant

(a) In all cases, Officers will:

- Consider requests from all parties and document how the decision is made;

- Write to all parties who will receive an element of the death grant informing them of the amount;
- Write to all parties who will not receive an element of death grant informing them why they did not qualify.

(b) Where a Nomination Form has been completed

When a scheme member dies and has completed a nomination form then payment of the death grant should normally be made to the nominee(s). However where a significant event has taken place since the nomination was made, e.g. a marriage, divorce or separation, then this is to be taken into account.

(c) Where a Nomination Form has not been completed:

When a scheme member dies and has not completed a nomination form:

- Where the member had one immediate family member (i.e. a spouse, civil registered partner or dependent cohabiting partner who were not separated at the time of the member's death, with or without children), payment of the death grant should normally be made to the spouse, civil or dependent cohabiting partner.
- Where the member had an immediate family member (i.e. a spouse, civil registered partner or dependent cohabiting partner who were not separated at the time of the member's death, with or without children), and there are also children from a previous relationship, preference will normally be given to where dependence on the member was greatest. The death grant may be split between two or more beneficiaries.
- Where there is no surviving spouse, civil registered partner or dependent cohabiting partner, or there is but the couple were separated at the time of the member's death, payment of the death grant should normally be divided in equal shares to any known children of the member, regardless of their ages. This may include step-children or those accepted as children of the member.
- Otherwise payment will normally be made to the member's surviving parent(s) or sibling(s) in line with intestacy rules. Where none exists, payment will normally be made to the personal representative(s) dealing with the estate, in that capacity.

(d) Where the Pensions Manager or officers of the Fund with delegated decision-making responsibilities consider that the normal practices described above are inappropriate, impossible or is or may be subject to objection by interested parties because:

- There is evidence that the nomination may not have represented the member's wishes immediately before death; or

- Because the nominee is no longer alive or cannot be traced, or because no personal representative can be identified; or
- Because representations have been received from or on behalf of potential beneficiaries requesting a different treatment; or
- For other reasons

They may determine on their own authority how the death grant should be distributed among potential eligible beneficiaries as defined in the scheme rules. Prior to determining they may invite claimants to consider if they can propose a mutually satisfactory settlement.

7 Funeral Costs

Consideration may be given to the reimbursement of reasonable funeral costs by offsetting the amount from the death grant should a claim be made. Payment will be made to the claimant upon receipt of evidence of payment.

8 Appeals

In the event that payment of the death grant is made and a subsequent challenge is received within 6 months of payment from a third party, Fund Officers will in the first instance endeavour to resolve the situation informally. In the event that they are unable to do so, the third party will be invited to submit an application through the standard Internal Disputes Resolution Procedure.

9 Officers to Contact

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