

Pensions for partners: a guide

If you are a member of either the **premium** or the **classic plus** pension scheme and you have an unmarried partner, you will want to know whether the pension scheme will pay a pension to your partner after you die. This booklet provides guidance on the qualifying conditions for a partner's pension, and how we work out the pension.

The **premium** and **classic plus** pension arrangements form part of the occupational pension scheme which pays you a pension based on your years of service and final pensionable earnings. The benefits for members and their dependants are worked out and paid according to the scheme's rules. Benefits are financed on a collective basis, which means that members and employers both make contributions to the overall costs. Unlike personal pensions (such as the **partnership** pension account), members do not have their own 'pot' of money built up over the years which they can leave to someone when they die.

The **premium** and **classic plus** scheme rules provide pensions for three types of dependants of scheme members.

- Widows and widowers
- Surviving partners of people who are in relationships but who are not married (including same-sex relationships)
- Children

The scheme has not been designed to pay pensions to other adults such as:

- dependent family members (for example, parents, grandparents, brothers or sisters);
- friends;
- people in a purely financial relationship (such as a flatshare or a joint purchase of property); or
- people in casual relationships.

This booklet only deals with pensions for unmarried partners. If you need more information, either on this subject or on pensions for other dependants, please contact JSS or visit our website at www.jsspensions.org.uk

Things to think about now

Q Will my partner get a pension?

A The **premium** and **classic plus** scheme rules provide for a partner's pension if:

- you have nominated your partner and, together, you complete a joint declaration of partnership; and
- at the time of your death:
 - you and your partner were living together in an exclusive committed long-term relationship;
 - you and your partner were free to marry (or would have been able to if you and your partner had not been the same sex); and
 - either your partner was financially dependent on you or the two of you were financially interdependent.

Q How do I nominate my partner?

A You and your partner must fill in and sign a declaration form and send it to JSS. You will find a declaration form at the back of this booklet.

The declaration is very important. The scheme administrator cannot pay a pension without one.

You should both be aware that, after your death, your partner will need to provide information to JSS to support his or her claim to a partner's pension. Don't get too worried about this.

If, over the years, you continue to be able to sign up to all the statements on the declaration, your partner should receive a pension when you die.

Q What's meant by an 'exclusive committed long-term' relationship?

A We only expect to pay a pension if you are in a permanent relationship with just one person. After your death, JSS will not want to pry into your or your partner's personal life to try to 'disprove' your partner's eligibility for a pension but will need to be satisfied that there was a strong bond between you.

As a general rule, you should interpret 'long-term' as meaning 'at least two years'. Following your death, JSS will consider your case individually and take account of anything that supports the claim that you and your partner had a permanent relationship. As long as you consider that your relationship is permanent, you should not let the fact that you and your partner have been together for less than two years stop you from filling in a declaration form.

Q What's meant by 'free to marry'?

A Obviously, neither of you can be married to anyone else. Annex A includes a list of relationships which are too close to allow a marriage.

Q I'm waiting for my divorce to come through – will my partner get a pension if I die in the meantime?

A If you are married, the scheme will pay a pension to your surviving wife or husband, even if you no longer live with them. If you want your partner to receive a pension, you must both be legally free to marry when you make your nomination.

Q What's meant by financial dependence and interdependence?

- A** Under the Inland Revenue's rules governing occupational pension schemes, your partner must be financially dependent on you or you must be financially interdependent. 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.

Q I don't really want my employer to know about my relationship.

- A** You send your declaration to JSS, not to your personnel section. The scheme is managed away from most scheme members' places of work. All pensions documentation and casework is handled in the strictest confidence and in line with data protection legislation. You do not have to worry as your declaration will be handled with appropriate confidentiality.

Q What if we split up?

- A** If your relationship comes to an end, it is important that you or your ex-partner (or both of you) tell JSS as soon as possible so that they can cancel your declaration. If you enter into a new permanent relationship, you may want to make a new declaration at some time in the future.

Q Should I make a will?

- A** If you want to leave anything to your partner, you should consider making a will. If you die without a will ('intestate'), your property will not automatically go to your partner. Although your partner may eventually be provided for, he or she would have to go through the ordeal of applying to court and possibly fighting against claims from family members.

You can draw up a will without using a solicitor but you should consider getting legal advice, particularly if your financial affairs are complicated.

Q Should I think about a power of attorney?

- A** If you are not able to make decisions about matters, your partner will not normally be allowed to make decisions on your behalf unless you have given him or her the right to do so under a legal agreement known as a power of attorney. You should get legal advice if you are considering drawing up a power of attorney.

Q How can I contact JSS?

- A** Write to JSS at:
Polaris House
North Star Avenue
Swindon SN2 1UY
or, look under 'Contact US' on the JSS website at www.jsspensions.org.uk

Benefits payable on death

Q How much is the pension?

A If you are a member of the **premium** scheme, the pension is the same as it would be for a surviving husband or wife. That is, $\frac{1}{160}$ of your final pensionable earnings for each year which counts for your pension. If you die while you are still contributing to the scheme, we will usually add on some extra years of service (we call this a 'service enhancement').

The service enhancement will be your years of pensionable service (not including added years) or 10 years, whichever is lower, but it cannot be more than the extra service you could have earned if you had carried on to pension age on the working pattern you had when you died.

P Example

Jane is a member of the **premium** scheme. Jane dies in service, aged 45, and with 25 years' service in the premium scheme. When Jane died she was working full time and had a pensionable salary of £20,000 a year. Jane's partner Bob qualifies for a partner's pension.

In this case, the rules would give a service enhancement of 10 years (the lower of 25 years and 10 years), so Bob's pension will be based on 25 + 10 = 35 years.

Bob's pension
 $= \frac{1}{160} \times £20,000 \times 35 = £4,375$ a year

If you are a member of the **classic plus** scheme, we will work out the pension in the same way as for the **premium** scheme, but the pension will only be based on your service from 1 October 2002. Any service enhancement would count as service after 1 October 2002.

+ Example

Gary is a member of the **classic plus** scheme. Gary dies in service, aged 45, and with 25 years' service in the **classic plus** scheme. 20 years of Gary's service were before October 2002 and the other five were after October 2002. When Gary died, he was working full time and had a pensionable salary of £20,000 a year. Gary's partner Mike qualifies for a partner's pension.

In this case, the rules would give a service enhancement of 10 years (the lower of 25 years and 10 years), but Mike's pension will only be based on Gary's service after 1 October 2002 plus the service enhancement. Mike's pension will therefore will be based on 5 + 10 = 15 years.

Mike's pension
 $= \frac{1}{160} \times £20,000 \times 15 = £1,875$ a year

If you die after retirement or after leaving the scheme, your partner's pension will be worked out in the same way, but there will be no service enhancement.

Q Is there any minimum service period?

A We will not pay a pension to a surviving partner (including a surviving husband or wife) if you die in service with less than two years in the scheme. We will take account of any service you have transferred in from another pension scheme, and also any time during which you have had a **partnership** pension account, when we decide whether or not you had enough service.

Q Will you increase my partner's pension every year?

A Your partner will receive their pension for the rest of their life, even if they enter into a new relationship after you die. Their pension will be paid every month and it will be increased every April to reflect increases in the cost of living.

Q My partner is a lot younger than me. Will this affect their pension?

A In setting the contributions for the scheme, our actuary has made assumptions about the ages of members and their partners (whether married or unmarried). If your partner is more than 12 years younger than you, our actuary will adjust your partner's pension to reflect the age difference. Typically, this reduction will be around 2.5% for every year over 12 years.

Q Will any other benefits be paid when I die?

A As well as benefits for your partner, both **premium** and **classic plus** pension schemes will pay a pension to your children and to any other children who were dependent on you when you died. Generally, children will need to be under 18 or, if still in full-time education or training, under 26.

The **premium** and **classic plus** pension schemes will also pay a lump sum if you die either before you retire or within the first five years after retirement. The amount of the lump sum is as follows.

If you die:	Lump sum
• in service	3 x your annual pensionable earnings
• after leaving service but before retirement	5 x your frozen pension
• in the first five years of retirement	The balance of five years' worth of pension

You can nominate whoever you like to receive that lump sum – it doesn't necessarily have to be your partner. For more information, contact JSS at the address on page 2 or, look under 'Contact Us' on the JSS website www.jsspensions.org.uk

Making a claim

Q How does the process work?

A When JSS hear of your death, they will contact your partner as recorded on your declaration. They will invite your partner to fill in a claim form and to provide information to support his or her claim to a partner's pension. JSS are used to dealing with people who have recently lost someone and will handle matters sensitively.

Most people die several years into their retirement and your partner will be asked to supply information that is appropriate at the time of your death rather than at the date of your declaration. While we can outline the sort of supporting information that JSS might be looking for now, this is likely to change over the years to reflect changes in society. We cannot be definite about the sort of information your partner might be asked to provide at some time in the future after your death.

We will update this booklet from time to time over the years, to reflect changes in guidance on supporting information. We strongly recommend that you keep yourself up to date. We will publicise new versions of this booklet on our website at www.jsspensions.org.uk

Q What sort of information might support my partner's claim?

A JSS will need to be satisfied that you met the conditions that are set out in the scheme rules. When you die, you and your partner should be:

- living together in an exclusive committed long-term relationship;
- free to marry (or would be if you were not both the same sex); and
- financially interdependent (or your partner was financially dependent on you).

JSS will ask some straightforward questions about you and your partner. These will be to confirm that neither of you were married and that the pair of you were not too closely related. The answers will also help JSS build up a factual picture of your relationship. JSS will also invite your partner to provide supporting information.

There are many possible forms of supporting information and, because everyone is different, we do not want to restrict you by having a definite list.

Examples of supporting information might include:

- confirmation that you lived in a shared household;
- confirmation of shared household spending;
- children you bring up together;
- shared bank accounts or investments;
- a loan or mortgage in joint names;
- wills naming each other as the main beneficiary;
- a mutual power of attorney;
- your partner being nominated as the main beneficiary of life assurance; and
- your death leading to extra living expenses for your partner.

Remember that these are just examples and your case will be considered individually. JSS may be able to help your partner if they are stuck for things to put forward.

Q Do I have to own a house or flat with my partner?

- A** Most people in a permanent relationship will probably have either owned or rented property together, although this is not essential if your partner can support his or her claim in another way. But if you both maintain completely separate households and do not share each other's living expenses, it could be difficult for your partner to show financial dependence or interdependence.

If your circumstances force you to spend your final years away from home, for example, in residential nursing care, the scheme administrator will take account of your situation when you were living at home as well as at the time of your death.

Q Why don't married people have to go through the same process?

- A** Marriage gives both people rights and responsibilities, including certain rights over each other's property. If people either cannot marry or choose not to marry, the scheme administrator needs to be satisfied that the relationship is – apart from the marriage certificate – not very different from marriage.

Q Can my partner appeal if they are turned down for a pension?

- A** If your partner thinks they have been turned down without a good reason, they may ask for their case to be reconsidered under the Internal Dispute Resolution process. A leaflet 'Internal Dispute Resolution' is available from JSS.

Declaration form

Tear here.

➔ Please fill in this form in **BLOCK CAPITALS**, and send it to JSS. JSS will acknowledge that they have received the form by returning a copy of it to you.

Scheme member's name

Scheme No.

Address

Postcode

Phone number

Signature

Date

I nominate my partner named below to receive an adult dependant's pension payable under rule E.2 of Section I of the Pension Scheme.

Partner's full name including title

Date of birth

Address

Postcode



We will only accept this nomination if both the scheme member and the partner make the declaration below.

Declaration by scheme member and partner

- We confirm the following.
 - We have lived together for years, during which time our financial affairs have been interdependent (or the partner has been financially dependent on the scheme member).
 - We have a committed relationship with each other, and we intend to continue this indefinitely.
 - We are mutually responsible for each other's welfare.
 - We are not related in a way that will prevent marriage (please see the list in annex A).
 - Neither of us is married to anyone else.
 - Neither of us is currently nominated as the partner of anyone else.
- We will tell the scheme administrator if our relationship comes to an end.
- We understand that benefits will not be paid unless the partner provides satisfactory evidence that the declaration above is valid when the scheme member dies.

Scheme member's signature

Date

Partner's signature

Date

Witness

This must be someone other than the scheme member or partner.

Name of witness

Address

Postcode

Signature of witness

Date

You should not rely on this nomination alone giving the partner entitlement to a pension. When the scheme member dies, JSS will need to be satisfied that your relationship continued to meet the qualifying conditions for the payment of a pension. Please read this scheme leaflet for more information.

Tear here.

For administrator use

The nomination over the page has been recorded.

Signature

Date

Phone

Official address

Name

Annex A

Guide to relationships that are not allowed to marry in the UK

Note: This list is based on the statutory list in the Marriage Act 1949, (section 1, schedule 1) and applies to England and Wales. Slightly different restrictions apply in Scotland. The statutory list may change so the following list is only a guide.

<p>Part 1</p> <p>A man may not marry his:</p> <ul style="list-style-type: none">• mother, adoptive mother, former adoptive mother;• daughter, adoptive daughter, former adoptive daughter;• grandmother;• granddaughter;• sister;• aunt; or• niece.	<p>Part 1</p> <p>A woman may not marry her:</p> <ul style="list-style-type: none">• father, adoptive father, former adoptive father;• son, adoptive son, former adoptive son;• grandfather;• grandson;• brother;• uncle; or• nephew.
<p>Part 2</p> <p>A man may not marry any of the following female relations unless:</p> <ul style="list-style-type: none">• both he and the woman have reached 21; and• the younger person has never been treated as a child of the family of the older person before age 18. <ul style="list-style-type: none">• The daughter of an ex-wife• The ex-wife of their father• The ex-wife of a grandfather• The granddaughter of an ex-wife	<p>Part 2</p> <p>A woman may not marry any of the following male relations unless:</p> <ul style="list-style-type: none">• both she and the man have reached 21; and• the younger person has never been treated as a child of the family of the older person before age 18. <ul style="list-style-type: none">• The son of an ex-husband• The ex-husband of their mother• The ex-husband of a grandmother• The grandson of an ex-husband
<p>Part 3</p> <p>A man cannot marry:</p> <ul style="list-style-type: none">• the mother of his ex-wife unless both the ex-wife and the ex-wife's father are dead; or• the ex-wife of his son unless both the son and the son's mother are dead. <p>In either case, both people must be 21 or over.</p>	<p>Part 3</p> <p>A woman cannot marry:</p> <ul style="list-style-type: none">• the father of her ex-husband unless both the ex-husband and the ex-husband's mother are dead; or• the ex-husband of her daughter unless both the daughter and the daughter's father are dead. <p>In either case, both people must be 21 or over.</p>

This book is published by
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www.jsspensions.org.uk