

WHAT HAPPENS IF I DIE?

Before you retire and before you have reached Normal Pension Age (NPA)

If you die before you retire, and before you have reached your NPA, the Fund will provide the following benefits:

A spouse's pension

If you leave a spouse or civil partner, they may be entitled to receive a pension that is roughly equal to 50% of your pension as at your date of death.

A lump sum

If you do not leave a spouse or civil partner, a lump sum may be payable to your beneficiaries.

You should complete an Expression of Wish form to let the Trustee know who you would like to benefit from any lump sum that may be payable in the event of your death. To allow any lump sum to be paid free of inheritance tax under current tax law, it is the Trustee who ultimately has discretion to decide the person(s) to whom a lump sum is paid. Your completed Expression of Wish form will help the Trustee makes its decision, so it is really important that you keep this form up to date.

Before you retire and after you have reached Normal Pension Age (NPA)

If you do not claim your pension at your NPA, and then die before starting your pension, you will be treated as if you had retired at your NPA.

Alternatively, if you tell the Fund in writing that you wish to defer taking your pension at NPA and then die before starting your pension, you will be treated as if your pension had started the day before your death (rather than at your NPA).

The benefits payable in these two scenarios are different.

Death after NPA but before your pension starts and without having chosen to defer your pension

The Fund will pay a lump sum equal to 5 years' of pension.

If you die more than 5 years after your NPA, your estate will receive a lump sum of back payments from your NPA to your date of death. As these back payments will be paid to your estate, they may be subject to inheritance tax.

If you die within 5 years after your NPA, your estate will receive a lump sum of back payments from your NPA to your date of death, which may be subject to inheritance tax.

WHAT HAPPENS IF I DIE?

The remainder of the lump sum is in respect of pension payments between your date of death and the fifth anniversary of your NPA. The Trustee has discretion to decide the person(s) to whom this element of the lump sum is paid. The Trustee will choose from amongst your potential beneficiaries (although the Trustee would usually take account of your Expression of Wish form). As the law stands at the moment, this part of the lump sum should not form part of your estate and should not therefore be subject to inheritance tax. To help the Trustee decide, members are encouraged to keep their Expression of Wish form up to date.

If you leave a spouse or civil partner, the Trustee would also pay a pension to them. This pension will be uplifted by the application of an actuarial factor between your NPA and your date of death. This factor will change from time to time.

Death after NPA but before your pension starts and having chosen to defer your pension

You will be treated as though you retired on the day immediately before your death. The Fund will pay a lump sum equal to 5 years' of pension.

The Trustee will choose who gets the lump sum, from amongst your potential beneficiaries (although the Trustee would usually take account of your Expression of Wish form). As the law stands at the moment, this lump sum should not form part of your estate and should not therefore be subject to inheritance tax. To help the Trustee decide, members are encouraged to keep their Expression of Wish form up to date.

If you leave a spouse or civil partner, the Trustee would also pay a pension to them. This pension will be uplifted by the application of an actuarial factor between your NPA and your date of death. This factor will change from time to time.

After you retire

If you die after you have retired from the MNRPF, the following benefits are payable:

A spouse's or civil partner's pension

If you leave a spouse or civil partner, they may be entitled to a pension of 50% of your full pension at the date of your death. If you took a lump sum when you retired, the pension payable to your spouse / civil partner does not take this into account and is calculated as if you had not taken a lump sum.

Pension within guarantee lump sum

If you die within 5 years of retiring, a lump sum equivalent to the balance of 5 years' worth of pension, less the value of pension payments you have received so far, may be payable to your beneficiaries.

The Trustee will decide to whom this payment should be made. When making any decision the Trustee will take into consideration your completed Expression of Wish form, so it is important that you keep this form up to date.

WHAT HAPPENS IF I DIE?

Additional survivor's pension

If you have not yet taken your pension from the MNRPF, you can, at the discretion of the Trustee, elect to give up a portion of your pension to provide a higher pension to your spouse or civil partner in the event of your death. You must request this in writing and before your pension commences. If you elect this option, you are not able to reverse the decision.

Conditions

Young spouse or civil partner

If your spouse or civil partner is more than 10 years younger than you, the pension that is payable to them may be reduced by approximately 2.5% per complete year (and a proportion for each complete month) of the age disparity in excess of 10 years, although there are limits on the amount of reduction.

Marriage or civil partnership after retirement

If you married or entered into a civil partnership after you retired from the MNRPF, and within 6 months of your date of death, the pension (in excess of any Guaranteed Minimum Pension) is only payable at the discretion of the Trustee.

Important notice

This factsheet is for general guidance only. It is not a legal document and does not explain all situations or eventualities.

The Fund is governed by its Trust Deed and Rules. If there is any difference or conflict between the information provided in this factsheet and the provisions of the Fund's Trust Deed and Rules, the Fund's Trust Deed and Rules will prevail.

