

PENSION FUND COMMITTEE – 07 MAY 2020

ADMINISTRATION REPORT

Report by the Director of Finance

RECOMMENDATION

The Committee is RECOMMENDED to consider whether they wish to amend their decision to share the payment of the death grant between the brother and sister to sharing the death grant between brother, sister and granddaughter, of the deceased member.

Introduction

1. At the March committee meeting members received a report, shown at paragraphs 7 – 13, asking them to determine how payment of a death grant should be split.
2. When administrators came to make payment, it was found that incorrect information had been given to members in the report, therefore this updated report is seeking member's view on whether they wish to review their decision now that the information has been corrected.
3. The original report was incorrect because it stated that the deceased daughter's child was living with her aunt when in fact this has never been the case. She lives with her father.
4. On investigation it is understood that this misunderstanding came from a telephone conversation but because notes of the calls were not properly taken it is impossible to establish whether this was due to wrong information being given or lack of understanding on part of the administrator.
5. Administrators have been reminded of best practice of taking notes of telephone calls and adding these to case records.

Information Provided to March Committee

6. Decisions on the payment of death grants has been delegated to Officers within the Pension Services Team, and these are normally made as part of the day to day operations of the Team. Under the Scheme of Delegation though, Officers are required to refer any contentious decisions back to the Committee for it to determine. There were two cases for consideration by the Committee at that time.

7. In the second case, the Member died on 21 September 2019 – this was a death in service notified by the scheme employer, who noted that they did not have any next of kin details on file. The member had not completed an “expression of wish” form for pensions.
8. However, the employer subsequently provided the name and contact details for a daughter who duly completed a pension declaration form stating that she was the only person with an interest in the death grant payable from the fund. However, during several telephone calls it found that there was also a son, living in Australia.
9. Initially, the son informed Pension Services that he did not have any interest in receiving part of any death grant payment but later conversations revealed that this decision was based on incorrect information supplied by his sister and so he then made declaration as an interested party. He also included a granddaughter (daughter of deceased sister) on this declaration.

Deceased Member

Daughter - claimant	Daughter – deceased	Son - claimant
3 children	1 child – living with other daughter	1 child

10. The member’s will leaves her estate to be split between the five grandchildren when they attain the age of 25.
11. The death grant does not form part of the estate and is payable at Pension Fund discretion. This is a significant amount in excess of £100,000, and there are various options in how payment could be made:
 - 50/50 split between sister and brother
 - A three-way split between brother, sister and granddaughter, of the deceased member.
 - A percentage paid to sister and brother with the remainder being split between grandchildren
 - Payment split equally between grandchildren only
12. It should be noted that the fund has been advised that the initial claimant has paid £700 in respect of funeral costs out of her own funds

LORNA BAXTER
Director of Finance

Background papers: None
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