

A guide to the bereavement claim process

Looking after someone's financial affairs after their death can be challenging. This information pack will guide you through your next steps.

It can be hard to know where to start when handling someone else's finances. If they had a product with us, this guide will explain what happens at each stage.

There are a lot of organisations that can provide support for you and your family coping with a bereavement. You can find their details on the back cover.

Contents

- 4** How the process works
 - We're told about a bereavement
 - We assess the claim
 - We pay the claim
- 6** Help completing the information form
- 8** Evidence we might require
- 10** Common questions
- 11** Terms you'll see
- 12** Support for you and your family coping with a bereavement

How the process works

When a member dies before they access their pension savings, the value of the member's pension pot is paid as a lump sum to one or more of their beneficiaries. There are 3 main steps to the process.

1 We're told about a bereavement

2 We assess the claim

3 We pay the claim

1. We're told about a bereavement

The first step is to let us know – you can do this over phone, email or post – whatever is easiest for you.

When you get in touch, your claim will be handled by a dedicated Bereavement Support team. They'll make notes and take ownership of your case, so you'll only have to explain things once.

If you can, it's helpful to have some of the member's information ready so we can get things moving for you as quickly as possible.

It would be helpful to have their:

1. Full name and date of birth
2. National Insurance number. You can find this on their payslips and letters from HM Revenue & Customs (HMRC).
3. Date of death and an original or a certified copy of the death certificate/coroner's interim certificate.

We'll send you a bereavement information form

Before we can consider any claims, we'll usually ask you to complete a bereavement information form.

At this stage, we're only collecting information on the member's circumstances at the time. Anyone can complete a form, so we may also send one to other people who might be able to help, including relatives, friends, employers or legal representatives.

We understand you may not be able to complete all sections of the form. Please complete every section you're able to, to the

best of your knowledge. The more information we have, the quicker we'll be able to resolve the case.

The form should take around 20 minutes to complete. Page 6 of this guide has lots more information to help you with completing this.

Should I involve a solicitor when the pension savings don't form part of the estate?

As most payments aren't payable to the estate you don't have to use a solicitor – but this will depend on your own personal circumstances.

How long will the claim take?

Each case is different – it depends on things like how many possible beneficiaries there are, the member's financial situation and how big the pension pot is.

It also depends on when we received all the information and any proof we request.

As a guide, most straightforward claims are settled in around a month.

Is there a time limit on when we can process a claim?

If we don't receive all relevant paperwork within 2 years of the date we're notified of the member's death, under HM Revenue & Customs (HMRC) rules, the payment could be taxed.

2. We assess the claim

Once we've gathered information on the member's circumstances, we'll identify all the potential beneficiaries. Sometimes, this can be very straightforward.

All pensions B&CE provide are looked after by a group of Trustees. When a member dies, the Trustees have the discretion to decide who will receive a lump sum payment. They have a duty to do their best to find out who should receive any savings the member had with us when they died.

How do we determine beneficiaries?

Firstly, we'll check to see if the member had completed a beneficiary nomination form with us, then look at financial dependency followed by lines of succession.

This means we look at beneficiaries in the following order: children, parents, siblings, then any other relatives.

If none of these apply, then we would look to pay to the estate. We'll let you know if we think this is the case.

Why might we ignore a beneficiary nomination form or a will?

Sometimes, the member's circumstances have changed since the document was written. For example, there may have been a marriage or children – so a change in dependents that weren't mentioned in the beneficiary nomination form. This could mean that the beneficiary has also changed.

Why would anyone else be considered as a beneficiary other than the next of kin?

Although often, the next of kin will be considered a beneficiary, this isn't always the case. For example, there may have been others in the member's life who were more or equally as financially dependent as the next of kin.

3. We pay the claim

After we've looked at the situation carefully, we'll determine who should receive the member's pension savings. At this stage, we'll be able to share with the beneficiary/beneficiaries how much was saved in the member's pension pot.

How are claims paid?

We'll usually pay claims by bank transfer, straight into the named beneficiaries bank account. Please note, we're only able to pay this directly into a bank account (including joint account) in the beneficiary's name.

In exceptional circumstances, if we're unable to identify beneficiaries, we'll pay to their estate.

Will the payment be taxed?

Most of the time, lump sum payments won't be taxed. If the member was over 75 when they died or it has taken more than 2 years to pay the claim, the lump sum death benefit will be taxed at the beneficiaries marginal rate of income tax. There are also some exceptions where HMRC rules mean we must deduct 45% tax before we process the payment– for example where the payment is made to a trust.

There could also be a tax charge deducted if the member had exceeded their Lifetime Allowance.

What happens if the beneficiary is a child under 18?

This depends on a range of factors including the size of the pension pot, if the child has their own bank account or if there is a large amount which may require a trust fund to be set up. If this is the case, we'll always discuss this with the child's parent/guardian before we pay a claim.

Can the outcome of a claim be challenged?

Sometimes, the outcome of a claim may not be what you expected. If you'd like to challenge the decision, you can get in touch with us outlining your reasons and supplying any evidence that will support your case. If there's anything you think we've missed, this is your opportunity to present this to us. We'll always review the situation again before coming back to you with a response.

Help completing the information form

Section A:

This section asks you to confirm the personal details of the person that has died. This is to make sure we match your form to the correct member.

Employer details: We ask about the member's employment to check if any life insurance was provided by their employer through B&CE, and to work out if a claim might be due. You don't need to tell us about employment longer than 3 years ago.

Relationship status: We ask for the member's relationship status to help us check who should be contacted in relation to the case.

- **Cohabiting** – a couple who aren't married or in a civil partnership but live together. They could share household expenses (for example, mortgage or rental agreement, bills or bank accounts).
- **Separated** – usually living apart (but sometimes still living together) without divorcing or ending a civil partnership.
- **Partner living apart** – member was in a relationship, but not living with or legally married/in a civil partnership with that person.

We also ask about a will, grant of probate/confirmation in Scotland or letters of administration. We'll always want to see a copy of a will to help us understand the member's wishes. However, we'll request a grant of probate/confirmation or letters of administration on a case by case basis, so you don't need to provide this along with the completed form.

Section B:

You only need to complete this section if the member had a partner at the time of their death, or if they were separated or divorced. This section helps us to understand the member's personal circumstances, to determine if there's more than one potential beneficiary.

We ask how long the relationship was for to help us work out if the partner may be a potential beneficiary.

Section C:

You need to complete this section if the member had any children. This includes adult children, legally adopted children, stepchildren and children not living with the member when they died.

We'll also check if the child is disabled, as this may mean they were financial dependent.

If the member had more than 4 children, please include their details in Section G.

We may contact adult children over 18 directly if we need more information. If the child is under 18, we may contact their parent or guardian.

Section D:

Please include in this section anyone who may have been financially dependent on the member at the time.

You should also let us know here about anyone else the member was living with them at the time of death that you've not already included on the form.

Section E:

If the member has a will, grant of probate, confirmation or letters of administration, there will be one or more people involved with managing their financial affairs. Including their details means we can get in contact with them if we need to look into the member's financial situation more.

Section F:

If there's a solicitor involved in managing their financial affairs after their death, it can be useful for us to get in touch with them. If there's no solicitor acting on the member's behalf, then you can leave this blank.

Section G:

You can include in Section G any other information you feel might be relevant and important. The more information we have about the member's financial situation, the quicker we can progress with the case. So, it's a good idea to add anything you think might be useful here.

Section H:

This section is your declaration that everything you've included in the form is true and accurate. Please check through the information you've provided before signing here.

Documents we might require

Documents we need for all claims:

For all cases, we need to see an original copy or a certified copy of the death certificate/coroner's interim certificate.

We'll also need to see two forms of identity. Please send a copy of:

- one item from 'list A' (to confirm your identity)
- one item from 'list B' (to confirm your address).

We'll need to see 2 separate documents – we can't accept the same document for both identity and address checks.

List A - to confirm identity

- ! This should show your full name
 - Your current signed passport (identification page only)
 - Your current full photocard driving licence (front and back)
 - Your current EU national identity card
 - Your current residence permit issued by the Home Office to EU nationals
 - Your current paper (old style) UK driving licence
 - Your HM Revenue & Customs (HMRC) coding/assessment/tax credit letter, issued in the last 12 months (we cannot accept a P45 or a P60)
 - Recent evidence (issued within the last 12 months) of your entitlement to a state or local authority funded benefit from the Department for Work and Pensions (DWP), HMRC or local authority
 - Your local authority council tax bill (valid for the current year)
 - Your current firearms or shotgun licence

List B - to confirm your address

- ! This should show your current home address and should be in your name
 - Your paper or online bank statement dated within the past 3 months
 - Your paper or online credit card, debit card or mortgage statement dated within the past 3 months
 - Your paper or online utility bill (electric, gas, water or landline telephone) dated within the past 3 months
 - Your local authority council tax bill (valid for the current year)
 - Your local council rent card or tenancy agreement (within the past 12 months)
 - Your HMRC coding/assessment/tax credit letter, issued in the last 12 months (we can't accept a P45 or a P60)
 - Recent evidence (within the last 12 months) of your entitlement to a state or local authority-funded benefit from the DWP, HMRC or local authority
 - Your current full photocard driving licence (front and back)

Documents we'll request only if we consider you as a beneficiary:

Once we've checked your completed information form, we may determine that you're a potential beneficiary. Depending on how you're connected to the member, we may write to you and ask for evidence of your relationship.

If you're the member's partner, we may need:

- If you live together, a copy of your mortgage or rental agreement, or a copy of any bills in both your names.
- If you live apart, evidence of financial dependence. For example, payments from the member to yourself.

This is so we can understand how your finances were linked to the member to determine financial dependency.

If you're the parent or guardian of a potential child beneficiary, we may need:

- A full birth certificate or adoption certificate for each child, showing the member's name as their parent or guardian.
- If maintenance is being paid, a copy of a Child Maintenance Service (CSA) letter confirming this, or a copy of a bank statement showing this.

This is to show the member was the parent of the child we determine to be a beneficiary and/or that the child was financially dependent on the member.

If you're the parent of the member, we may need:

- The member's full birth certificate or adoption certificate. This is as evidence that you're the legal parent of the member.

If you're the sibling of the member, we may need:

- A copy of both yours and the member's full birth certificate or adoption certificate showing you have the same parent(s).

If you're living with, financially dependent or making a claim in another role we may need:

- Evidence of your relationship, including any evidence of financial dependency. For example, this may include copies of joint bills, rental agreements in joint names or evidence of maintenance payments, or anything else providing financial dependency.

Lost or mislaid certificates

Birth, death, marriage, divorce or dissolution of civil partnership replacements can be requested at the district's Register Office. Or visit www.gov.uk to check if a replacement certificate can be requested online.

Do we always need a Grant of Probate or Letter of Admin?

These aren't always required. Once we've received your complete information form, we'll let you know if these are needed.

Terms you'll see

Administrator: The person appointed to deal with a person's estate if there is no will.

Beneficiary: A person who receives all or part of the money (or other assets) from someone who has died.

Discretionary trust: This is a scheme managed by a group of trustees who have ultimate discretion over what happens to a member's savings in the scheme after the member's death.

Estate: All the money, property and other assets owned by a person at the date of their death

Executor: The person responsible for dealing with the paperwork and carrying out the wishes specified in the will.

Financially dependent: Anyone receiving financial help from the member. Many married or cohabiting couples and children under 18 (or 23 in some circumstances) are usually financially dependent – this could be because of shared bills, or financial support for things like food, clothing and other items. This may also be through divorce settlements, maintenance payments, or through other financial support such as mortgage payments.

Financial support to a child could either be directly, or through money paid to the child's parent or guardian.

Other ways in which someone may be financially dependent on the member include:

- supporting another person with things like clothes, money and food
- joint tenants either renting or owning a property.

Beneficiary nomination form: A form completed by the member telling us who they'd like the Trustee to consider paying their pension pot to.

Grant of probate (Confirmation in Scotland): A legal document issued by the Probate Registry when the person that died has left a will.

Letter of administration: A legal document issued by the Probate Registry when the person that died hasn't left a will.

Lump-sum payment: A one-off cash payment.

Next of kin: The closest person(s) of someone who has died. Usually this will be their partner, child/children, or parents.

Trustee: A group of professional people make up the Trustee. They are appointed to represent the members best interests at a group and individual level. Some of our products are looked after by a different group of trustees.

Will: A legal document stating how the deceased person wishes their estate to be shared. We ask to see this to check for potential beneficiaries.

Common questions

Can you tell me how much is saved in the member's pension pot?

Due to data protection regulations, we're unable to provide a value until we've worked out who the money is due to be paid to. Once this has been established, we'll be able to share the value with this /these person/people.

Why do pensions fall outside of the estate?

Most pension schemes are written under a form of trust, so are valued separately and outside of the deceased's estate. They aren't included in probate valuations or calculations and will normally be inheritance tax-free. If the pension is claimed after the age of 75, it's usually paid as a taxable income.

Can you advise which employer provided this pension?

We can share this information for pots held with The People's Pension if you can supply the member's full name, date of birth and National Insurance number.

We do not hold employer details for our Lump Sum Retirement Benefit (LSRB) and Additional Voluntary Contribution (AVC) products.

Can you tell me if someone else has made a claim on the deceased member's pension?

We're unable to provide this information for data protection reasons.

Does the fund remain invested when you're notified of a death?

For pots with The People's Pension, the money remains invested and is moved to the Cash Fund – unless the member was invested in the Sharia Fund. As the money remains invested, the fund value can continue to go up or down.

For TUTMAN B&CE Contracted-out Pensions, the fund is sold once we're notified of the death or received evidence of the death (ie death certificate)

Our LSRB, AVC and Employer Life Cover products aren't invested in any funds.

Support for you and your family

Things can feel overwhelming when coping with a bereavement. But there's help and support out there. These are just some of the organisations you can get in touch with, offering a range of practical and emotional support.

British Association of Counselling and Psychotherapy

Visit their website to find a qualified counsellor or therapist.

www.itsgoodtotalk.org.uk/therapists

Cruse Bereavement Care

This charity provides free grief and bereavement counselling.

www.cruse.org.uk | T: 0808 808 1677

Samaritans

A safe place for you to talk, 24/7, whenever you feel ready.

www.samaritans.org | T: 116 123

Support After Suicide Partnership

Provide practical and emotional support for anyone bereaved by suicide.

<https://supportaftersuicide.org.uk>

WAY

Peer to peer support groups for people aged 50 or under when their partner died. There's an annual membership fee to join this charity.

www.widowedandyoung.org.uk



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