



Pension  
Protection  
Fund

Protecting people's  
futures



Compensation  
payments  
for survivors

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## Register on our member website

We've developed a secure website for the exclusive use of our members.

If you haven't already, please register as soon as you can because this website is the quickest and easiest way for most people to get information about their payments.

Once you've set up an account, you can do lots of things including updating your personal details and starting your payments, if you haven't yet retired.

To register, please go to the website at **[www.ppf.co.uk/members](http://www.ppf.co.uk/members)** and follow the registration instructions.

If you have any questions or concerns about anything included in this booklet, please visit our member website or contact us.

Contact details are at the back of this booklet.

# Compensation payments for survivors

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We all want to be comfortable that our spouses or partners, and our children, will be looked after when we die.

For members of the PPF, this means they should know what will happen to their compensation payments after their death.

For beneficiaries of our members, we want you to know what you're entitled to so that you can have some certainty, at what can be a difficult time.

This booklet will explain when, how much, and for how long compensation will be paid to surviving spouses, civil partners or relevant partners and any eligible children. A relevant partner is someone of either sex who you aren't married to, or in a civil partnership with, but who you live with as if you're married or in a civil partnership.

## **Compensation for spouses, civil partners or relevant partners**

Whether or not spouses, civil partners or relevant partners are eligible to receive PPF compensation, following the death of a member, will depend on the rules of the member's former pension scheme.

If a member has nominated a relevant partner, they may be eligible to receive compensation if they're able to prove that they were living with the member at the time of their death.

Nominating partners can be important. For instance, if the member separated from their spouse but never got divorced – and they hadn't nominated their new partner – compensation would automatically be paid to the spouse. A member doesn't need to nominate a spouse or civil partner as a beneficiary for them to be able to receive payments from us after the member's death.

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We may still pay compensation to a relevant partner even if the member hasn't nominated them. But they'll need to provide us with evidence, so that we can review their claim. The evidence in all cases must show that they were living with the member at the time of the member's death. If the member and their partner had lived together for 5 years or more, we'll need proof of this. If they were living with the member at the time of the member's death, but for less than five years, we may still pay compensation if they were financially dependent on each other.

We'll talk to the person dealing with the estate of the deceased member – who'll probably be either a close friend, family member or solicitor – to confirm the rules of the former scheme and make sure the spouse, civil partner or relevant partner receives any compensation they're entitled to.

If you're receiving PPF compensation as a spouse, civil partner or partner of a member, no payments will be paid to any beneficiaries after your death.

### **What eligible spouses, civil partners or relevant partners will receive**

#### **Retired members**

Eligible spouses, civil partners or relevant partners will receive half the compensation the retired member was receiving before their death.

#### **Members yet to retire**

If the member dies before they reach their normal pension age, an eligible spouse, civil partner or relevant partner will receive half the compensation the member would have received, had they reached their normal pension age the day before they died.

### **What spouses, civil partners or relevant partners need to do**

Following a member's death, the person dealing with their estate will need to contact us as soon as possible.

This is important because any delays in notifying us mean there's a chance that we'd continue to make payments after the member's death which we'd then have to recover from their estate.



Once we've been told about a member's death, we'll send a form to the person dealing with their estate.

This form sets out what information we need to put any compensation for spouses, civil partners or relevant partners into payment. In all cases, we'll need to see a copy of the death certificate. We don't need to see the original certificate, a photocopy gives us all the information we need.

Other documents may be needed, depending on personal circumstances. These may include:

- marriage certificate
- civil registration certificate
- decree absolute, or
- dissolution certificate

If the member had a relevant partner we'll need the following information:

**If the relevant partner was nominated by the member before their death**

- proof that they were living with the member at the time of their death, for example a joint utility bill, council tax bill, or bank statement (dated within 6 months before the member's death)

**If the relevant partner wasn't nominated by the member before their death, and they were living together for at least five years before their death**

- proof that they were living with the member at the time of their death, for example a joint utility bill, council tax bill, or bank statement (dated within 6 months before the member's death)
- proof that they had been living together with the member for five or more years before their death



**If the relevant partner wasn't nominated by the member before their death, and either there's no evidence available to prove that they were living together for at least five years or they had been living together for less time**

- Proof of interdependency. We'll need to see any of the information below that's available. The more information that can be provided then the easier it will be to determine that there was interdependency:
  - The net income of the relevant partner, the member and any other contributors to household income
  - Council tax and utility bills in joint names (dated within 6 months before the member's death)
  - Joint bank/savings accounts providing basic details, for example copies of bank statements (dated within 6 months before the member's death)

- Details of the arrangements in place for meeting mortgage repayments or rent, as applicable
- What arrangements were in place for meeting other expenses, listing these where possible
- The proportion of day to day living expenses paid by each party
- Whether there was a mortgage protection policy, and if so whether it was in joint names
- Details of any other life policies

**How long spouses, civil partners and relevant partners will receive compensation for**

Once a member's spouse, civil partner or relevant partner starts to receive compensation, they'll receive it for the rest of their life.

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### Compensation for children

Following a member's death, any children they have can receive PPF compensation until they no longer qualify.

To be eligible to receive compensation, they must be the member's:

- biological child (this will include children being carried by the mother on the date of the member's death)
- adopted child, or
- a child who can demonstrate they were financially dependent on the member

They also have to be:

- Under 18, or
- Over 18 but under 23 and in 'qualifying' education, or
- Over 18 but under 23 with a 'qualifying' disability

### 'Qualifying' education

Up until the age of 23, children can receive compensation if they're studying on a full-time educational or vocational course at a recognised educational establishment, e.g. school or college.

They must spend more than 12 hours a week in normal term time either studying, receiving tuition or taking part in exams or practical work.

We'll need the education establishment to confirm that the course meets these qualifying conditions.

If a child stops their studies, they'll lose their right to compensation. But, if they resume their studies on another course within 12 months, they can ask for their compensation to be paid again.

In rare circumstances, where the child was receiving compensation before the member's former pension scheme entered assessment, the scheme rules might specify a different payment period for the compensation, which could be after or before age 23. In those cases we'll continue to pay the child in accordance with the former scheme rules.

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### **'Qualifying' disability**

Up to the age of 23, children will receive compensation if they cannot undertake full-time paid employment due to a disability which is covered by the Equality Act 2010.

### **Levels of compensation**

The amount of compensation a member's children will receive will depend on whether or not a spouse, civil partner or relevant partner will also receive compensation following the member's death.

Where compensation is being paid to a spouse, civil partner or relevant partner, the following compensation will be paid to the member's children:

- one child – 25 per cent of the member's compensation
- two or more children – 50 per cent of the member's compensation, divided equally

Where compensation isn't being paid to a spouse, civil partner or relevant partner, the following compensation will be paid:

- one child – 50 per cent of the member's compensation
- two or more children – 100 per cent of the member's compensation, divided equally

Payments will be made into a bank account which bears the relevant child's name.

When a child is no longer eligible for compensation, we'll stop making payments to them.

But, if there are other children who are still eligible, the amount of compensation they receive will be recalculated in line with the criteria above.

However, payments won't be recalculated in cases where the children were receiving payments from the scheme before it entered the PPF assessment period. The assessment period starts at the date the scheme's sponsoring employer went bust.





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### Protecting your data

We take care to handle your personal data in compliance with data protection legislation.

We process your personal data correctly and lawfully, to enable compensation payments to be made to you, to keep you up-to-date with developments and to seek your feedback about ways we could improve our service.

We won't rent, swap or sell your personal data to any other organisation.

You can view our full privacy policy at **[www.ppf.co.uk/members](http://www.ppf.co.uk/members)** or you can request a printed copy of the privacy policy be sent to you by using our contact details.

This booklet is for guidance only. It's necessarily simplified and not a definitive statement of law or entitlement.

Information in this booklet is based on our current understanding of the legislation governing the PPF in force at the time of writing.

Payments will always have to be calculated in accordance with legislation which will, therefore, override in the case of conflict.



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