

Allocation of Pension Factsheet

What is allocation?

Subject to certain conditions, a member may give up (allocate) part of their pension to provide for a pension, to be paid after their death, to another person. That person may be a spouse, civil partner, nominated partner or someone who is dependent upon the member for support.

Choosing to allocate will result in a reduction to the member's retirement pension.

If an allocation is made in favour of the spouse, civil partner, or nominated qualifying partner, they will get the allocated pension as well as their survivor's pension from the scheme.

A member can apply to allocate:

- on making a claim for payment of benefits or, after making a claim, before the date on which the pension is put into payment;

Or if the member is in pensionable employment

- at any time after completing 45 years pensionable membership, if not a member of the special classes; or
- for a member of the special classes, at any time after reaching age 55 and completing 40 years pensionable membership; or
- at any time after reaching age 65 (60 for members of the special classes).

The application should be made using form AW6/11A, which can be found at the back of the 'guide for pensioners and their dependants'.

Form AW6/11A should then be attached to the application form AW6 or AW6P and sent to HSC Pension Service. When we receive these forms we will send the member a quote to assist them in deciding whether or not they wish to allocate.

A member who applies to allocate part of their pension must be in good health for their age and will need to have a medical examination at their own expense. It is not necessary for the beneficiary to be medically examined, but the member should satisfy themselves that the person is likely to live as long as they are because if the beneficiary dies before the member, the allocation cannot be cancelled under any circumstances, and the allocated part of the pension would be lost forever.

A member can only cancel or change an application to allocate before we accept the application.

How much pension can be allocated?

A member may not allocate more than one third of their pension ensuring a pension for the beneficiary of at least £260.00 a year.

The member's remaining pension must exceed the beneficiary's allocated pension.

The amount of pension the beneficiary will receive for each £1 allocated will depend on:

- the member's age,
- the beneficiary's age,
- whether the beneficiary is male or female.

The beneficiary's pension must exceed 1% of the standard lifetime allowance.