



What happens to your benefits and savings when you die?

A factsheet for members who've left USS

If you've stopped paying in to USS, your loved ones could still be eligible for benefits

While it may not be a nice thought, we're here to help take care of your loved ones should the worst happen.

With USS, you get a level of life cover even if you're no longer paying in. This could include:

- a lump sum for your beneficiaries of three times the pension you'd built up
- a pension for your spouse or civil partner for life, or a dependant's pension if you aren't married or in a civil partnership
- a pension for any eligible children.

With any pensions that may be payable, these are based on what you've built up. This is different to life cover for those still paying in to USS, where any pensions payable are enhanced. The lump sum is also a little different – if you're still paying in it's based on three times your salary instead.

Any savings in your Investment Builder pot will also be paid to your beneficiaries.

We explain this in more detail below, along with any actions you may need to take.

If you're reading this as a loved one or beneficiary, you'll find more on what you need to do at the end.

A quick look at the key terms we use

Beneficiary

Someone who'll receive your benefits when you die.

Dependant

Someone who's reliant on you financially, or because they have a physical or mental disability. They must be dependent on you when you die.

The lump sum

What your beneficiaries could get

A lump sum of three times the pension you'd built up when you die.

The value of your benefits when you left can be found in [My USS](#) or on your leaver statement. Use the [Deferred Pension Increase Modeller](#) to see what your benefits are worth now.

Who the lump sum can go to

It can be paid to a relative, dependant, personal representative or someone else nominated by you. It doesn't have to be just one person – you can choose how it's divided up. Or it doesn't have to be a person at all, it could be a charity or any other organisation close to your heart.

How and when it's paid

We aim to pay this as soon as possible once we:

- receive official confirmation of your death (the death certificate)
- have confirmed who it's being paid to.

It'll be paid straight into the bank account(s) of those receiving it.

Good to know

Payment of the lump sum is made at the discretion of USS, but your wishes are of course taken into consideration. This allows us to make sure your money goes to the right people and means it's not subject to Inheritance Tax.

What you need to do:

Complete an **Expression of Wish form** to tell us who you wish to receive the lump sum. Log in to [My USS](#) to complete online or [download](#) a copy to print and return to us. It's important you update this at least every three years so we know it's up to date, even if your wishes haven't changed.

If you don't complete an Expression of Wish, we'll take other documents like your Will into consideration. But we won't have your most up to date wishes for our final decision.

A pension for your spouse or civil partner

What your spouse or civil partner could get

They'll get a pension for life equal to around half the value of your benefits when you die.

The value of your benefits when you left can be found in [My USS](#) or on your leaver statement. Use the [Deferred Pension Increase Modeller](#) to see what your benefits are worth now.

Good to know

If you paid in for at least five years, they'll get a higher initial pension for the first three months. This is called a death grant and is based on the amount of pension you've built up. After this, they'll get a monthly spouse or civil partners pension as outlined above.

The pension your spouse or civil partner gets might be slightly different if you aren't living with them when you die, as part of it could be payable to a dependant instead.

If you don't have a spouse or civil partner

A dependant's pension could be paid if you aren't married or in a civil partnership. What they may get won't be more than what a spouse or civil partner would get.

We check their dependency when you die and agree the amount they'll get based on their level of dependency. We'll need some evidence from them to show either their financial dependency, such as your joint finances, or, if they were dependent on you due to physical or mental disability, evidence of this disability.

What you need to do:

If you're not married or in a civil partnership, complete a **Registration of potential dependant form** to tell us who you'd like to receive a dependant's pension when you die. Log in to [My USS](#) to complete online or [download](#) a copy to print and return to us. It's important you update this at least every three years so we know it's up to date, even if your wishes haven't changed.

If you don't complete a form, we may not be aware that this person is dependent on you. Let us know your wishes upfront so we know to review their financial dependency when you die.

If you're married or in a civil partnership, you don't need to register a spouse or civil partner with USS – we'll gather the relevant information when you die.

A pension for your children

What your children are entitled to

They'll get a pension of up to 75% of the value of your benefits when you die.

- If you have one child, they'll get half of this (37.5%)
- If you have two or more children, they'll share the 75% between them

This is payable in addition to a spouse, civil partner or dependant's pension.

The value of your benefits when you left can be found in [My USS](#) or on your leaver statement. Use the [Deferred Pension Increase Modeller](#) to see what your benefits are worth now.

Who counts as an eligible child?

An eligible child could be your lawful child, including those not yet born or those legally adopted by you, or a child who's financially dependent on you, like a stepchild.

They must be under 18, or, if they're in full-time education, under 23. It also includes a child who's not able to support themselves financially due to a physical or mental disability.

Good to know

Your children could get more if you aren't married or in a civil partnership and don't have a dependant. The pension they'll get is increased from 75% to 100% of the value of your benefits when you die.

For any children over the age of 18, the pension must be paid into his or her own bank account.

What you need to do:

You don't need to register any children – we'll gather the relevant information after you die.

Your Investment Builder savings

There are two parts to your pension, the Retirement Income Builder, the defined benefit (DB) part, and the Investment Builder, the defined contribution (DC) part. You'll have savings in the Investment Builder if you earned over the salary threshold, made additional contributions, or transferred your pension over from another scheme since 2016 (this includes if you've switched your Prudential Money Purchase AVCs).

To find out more about the two parts, visit [your pension explained](#).

These will be paid to your beneficiaries

Any Investment Builder savings that remain invested will go to your beneficiaries.

These will be tax-free if you die before age 75 or taxed at the recipient's marginal rate if you die after age 75.

Money Purchase AVCs with Prudential

If you have Money Purchase AVCs with Prudential, we'll tell them of your death. They'll then send your savings to the beneficiaries on your USS Expression of Wish form. If you tell Prudential of any different beneficiaries to those on this form, your Prudential lump sum may be subject to Inheritance Tax.

What you need to do:

Complete an **Expression of Wish form** so we know who you'd like any Investment Builder savings to go to. Log in to [My USS](#) to complete online or [download](#) a copy to print and return to us. It's important you update this at least every three years so we know it's up to date, even if your wishes haven't changed.

If you don't complete an Expression of Wish, we'll take other documents like your Will into consideration. But we won't have your most up to date wishes for our final decision.

Further information

You can pay more than the above to your loved ones when you die. If you're over age 55 and have paid in for two years or more, you may be able to give up part of the pension you're eligible to at retirement and allocate it to someone else. See our [Allocation factsheet](#) for more information.

The benefits your loved ones may get will be reduced if you've used [Scheme Pays](#), taken cash payments from your Investment Builder pot or transferred savings out.

If you paid Added Years or Career Revalued Benefits AVCs for five or more years and didn't pay a lump sum within a year of your death, the full amount will be included in your life cover. If you paid these AVCs for less than five years or if you paid a lump sum within a year of your death, you'll get a pro-rata amount of these benefits. If you aren't sure what you have, take a look at your latest Annual Member Statement or log in to My USS.

For loved ones and beneficiaries

We know this may be a difficult time but we're here to support you each step of the way.

If you're the beneficiary, spouse, civil partner, dependant or eligible child of a member who built up benefits with USS but was no longer paying in, you may be eligible to some of their benefits. This could include:

- a lump sum of three times the pension they'd built up
- a pension for life if you're their spouse or civil partner, or a dependant's pension if they weren't married or in a civil partnership and you're financially dependent on them
- a pension for any eligible children.

You can find more detail on each of these in the information above.

To tell us of a death please call our Bereavement Team on 0151 556 0620.

We'll then let you know the next steps and will work with you to gather all the information we need. We may send you some forms to complete.

Here's a list of things to pull together that we may need:

- The member's death certificate
- A marriage or civil partnership certificate
- Your full birth certificate if you're a spouse or civil partner, or for any eligible children
- A copy of the member's Will or letters of administration
- If you're a dependant, evidence of financial dependency for at least two years. This could be joint utility bills, a joint bank account or a joint mortgage
- Details of any solicitor's handling the death
- Any further education details for children over age 18

If you don't have an original death, marriage or civil partnership, or birth certificate you'll need to get an official certified copy from the General Register Office (or other relevant register office).

Once we have everything we need and have confirmed who the benefits will go to, we can start to pay these out.

- The lump sum will be paid as soon as possible to the bank account of those receiving it.
- Those getting a spouse, civil partner or dependant's pension will get three months' worth of pension based on the amount of pension the member built up if they'd been paying in for five years or more. This is called a death grant. After this the spouse or civil partners pension will be paid on the 21st of each month.
- A pension for any children will be paid on the 21st of each month.

This publication is for general guidance only. It is not a legal document and does not explain all situations or eventualities. USS is governed by a trust deed and rules and if there is any difference between this publication and the trust deed and rules the latter prevail. Members are advised to check with their employer contact for latest information regarding the scheme, and any changes that may have occurred to its rules and benefits. For a glossary of our terms please see our [important information](#) page.