PSA9 - SQA Unit Code H5JJ 04

Process pension scheme death benefits

Overview

This unit is about processing pension scheme death benefits. You must notify relevant people and departments of the member's death including the payroll department, the insurer and trustees, as appropriate, and check and validate the application for death benefits including the eligibility of beneficiaries to receive these against the scheme rules. You must calculate the death benefits in accordance with scheme rules, member circumstances and internal procedures before notifying beneficiaries of their entitlements and arranging payment. You must also update accordingly all relevant records.

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Performance criteria

You must be able to:

P1	Obtain all relevant legal documents (including the original death certificate and original coroner's letter) and validate the member's record against the death notification
P2	Notify the insurer, if appropriate, of the member's death, and submit relevant documentation
P3	Notify the payroll department to stop pension payments, if the member is a pensioner, and seek to reclaim any overpayments made
P4	Check the application for death benefits is authorised by the appropriate person and supported by relevant documentation
P5	Validate the eligibility of beneficiaries to receive member's death benefits against the scheme rules, sending all relevant information to the trustees to exercise discretion if appropriate
P6	Validate against the member's record that the level of pay on which benefits are to be based is reasonable, investigating and resolving any omissions or discrepancies in applications
P7	Correctly calculate death benefits, taking into account any member elections in accordance with scheme rules and any overriding statutory and relevant pension scheme requirements that may affect sums payable to the beneficiaries
P8	Implement divorce debits, as appropriate, within the scheme rules, member circumstances and internal procedures
P9	Notify beneficiaries of their entitlements and arrange payment of the death benefits and any ongoing dependant's pension within required timescales
P10	Update the records of the deceased member and their

dependents, including recording cessation dates for child pensions, and set up pension payments taking account of scheme rules

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Knowledge and understanding

You need to know and understand:

K1	The need for, and methods of, verification and validation checking
K2	The interpretation and application of statutory and relevant pension scheme requirements following a death notification, and the impact on benefits
K3	The difference between pre-retirement and post-retirement death benefits
K4	The circumstances under which authorisation from an appropriate person would be required
K5	Documentation associated with the payment of death benefits including MPAVCs and FSAVCs, and the circumstances in which proof of probate / letters of administration are required
K6	How to apply calculation methods and standard practices, as appropriate
K7	How to resolve any discrepancies or omissions in information
K8	The requirements for the discharge of benefits and how to interpret and apply statutory and relevant regulations, including contracting out, to determine these
K9	When to apply Pension Increase rules when determining the death benefits that are payable
K10	The internal procedures that you need to follow and records that need to be updated when discharging benefits, including any required signatories and authorisation
K11	The internal procedures that you need to follow and records that need to be updated when discharging benefits, including any required signatories and authorisation
K12	The relevant legislation including Anti-money Laundering,

Data Protection, equality and diversity legislation, Cancellation notices, HMRC and DWP regulations and The Pensions Regulator's Codes of Practice for Internal Controls and for Trustee Knowledge and Understanding

K13 The difference between giving financial advice and providing information to the member

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Additional Information

Behaviours

1 You are sensitive to members' lack of technical expertise and use your intuition and experience to help them fully understand the issues
2 You gather and manage information effectively, efficiently, ethically and confidentially
3 You have a clear understanding of the extent and limits of your authority to take decisions
4 You identify the information needs of colleagues, clients and others
5 You make appropriate information and knowledge available to those who need it and who are entitled to have it
6 You present information in a timely manner, clearly, concisely and accurately, and in a way that promotes understanding
7 You look for potential improvements and propose courses of action that are timely, appropriate and achievable
8 You take pride in the quality of your work
9 You understand the needs and motivations of others
10 You work in a professional, co-operative and mutually supportive manner
11 You pay attention to details that are critical to your work
12 You use communication styles that are appropriate to different people and situations

A 'pick and mix' approach should again be used for the inclusion of Behaviours in job descriptions, training programmes etc, and further guidance is available on the Financial Skills Partnership's website, at www.financialskillspartnership.org.uk.

Links to other

A range of separate NOS, developed both by the Financial Skills Partnership and other Sector Skills Councils, cover other roles in

NOS

Pension Scheme Administration including handling money and organising and delivering reliable customer service. The following will be particularly relevant.

- NOS for Customer Payments for Financial Products and Service – particularly unit
  FCP02 Assess and use financial information to reconcile accounts
- NOS for Credit Management – particularly unit *CM3 Process invoices and payment transactions*, and NOS for Financial Services Customer Care

The Council for Administration have also developed a full suite of NOS for Customer Service, and these can be accessed at www.cfa.uk.com.

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