

This factsheet is designed for the use of the National Health Service Superannuation Scheme (Scotland) and can be read in conjunction with the member's guide

Introduction

Allocation is giving up a part of your pension to provide a pension for somebody else when you die, for example a member of your family or a close friend (your beneficiary). This means your pension will be reduced at your retirement. If you die before your beneficiary they will then get that part of your pension you have allocated to them for life. You can allocate to anyone you choose as long as they are at least partially dependent on you. If you allocate to your spouse, civil partner or nominated qualifying partner they will get the allocated pension as well as their survivor's pension from the Scheme. Please note that the pension you give up does not count against the standard Lifetime Allowance.

You can allocate in favour of one person only e.g. spouse, registered civil partner, nominated partner, child or close family member, who is wholly or partially dependent on you for support.



If you choose to allocate to a spouse, registered civil partner/nominated surviving partner or dependant child, the allocated pension will be paid in addition to survivor benefits (providing you have relevant service) which the regulations already provide for on the death of a member.

You can allocate up to one third of your scheme retirement pension which must be an exact number of pounds. You should note that if the person you have chosen to allocate a proportion of your pension to pre-deceases you, you will not be entitled to reclaim that percentage of pension you had allocated previously. For example, if you had allocated 25% of your pension to a dependant who dies before you, you will continue to receive only 75% of your original pension amount.

If you decide to allocate you:

- must do so before your benefits from the scheme become payable
- must be left with more pension than the beneficiary
- cannot be left with less than the guaranteed minimum pension required under the State Pension Scheme
- must provide the beneficiary with a pension of not less than 1% of your Lifetime Allowance (LTA) [see HMRC website](#).
- can only cancel in the period between the time you apply and the date we notify you that it has been accepted
- cannot cancel once it has been accepted.

The amount of beneficiary pension payable is dependent on the age of both you and the beneficiary and the gender of the beneficiary.

Medical evidence

Members (or members with preserved benefits) who choose to allocate, must be in good health and are required to provide medical evidence to support this. Any costs incurred in obtaining medical evidence will be at your own expense. Your employer will also be asked to provide details of your absences over the last 5 years. The medical evidence will be submitted to our Medical Adviser to confirm your health.

Tax rules

You should note that HMRC rules restrict authorised payments of a pension to a child up to age 23. Payments paid to a child after age 23 may cause an unauthorised payment subject to a 40% tax charge. However, if at the time of your death the child is dependent on you due to “physical or mental impairment” the payment will remain authorised. The child may be required to undergo a medical examination by the our Medical Adviser.

Application form

If you wish to allocate, the application form is available on our website, a link to the form is [here](#)