

SURVIVING FAMILY BENEFITS

This booklet describes the general information and benefits payable to the surviving family of a deceased Member.

1. SURVIVING FAMILY BENEFITS

a. Who are eligible for Surviving Family Benefits?

On the death of a Member, surviving family members will be eligible for the following survivor benefits:

- ▶▶ Spousal benefit to the legally married spouse (s) of a deceased Member;
- ▶▶ Surviving children benefit;
- ▶▶ Orphan (both parents deceased) benefits; and
- ▶▶ Surviving dependent parent.

1.1 SURVIVING SPOUSAL BENEFITS

a. Conditions if a Member dies before retirement

If a Member dies, *before* attaining minimum civil service retirement age, surviving spousal benefits will be payable on fulfilling all of the following conditions:

- ☞ Deceased Member has worked for at least a minimum of 3 years;
- ☞ Deceased Member has made at least a minimum of 36 monthly contributions.
- ☞ Spouse has attained at least age 50.



b. Conditions if a Member dies after retirement

If you are already retired and upon your death you leave behind any surviving spouse (s) then survivor benefits will be payable on fulfillment of all the following conditions:

- ☞ The Member was already on pension
- ☞ The surviving spouse (s) were legally married on or before retirement (marriage after retirement is not covered)
- ☞ Spouse has attained at least age 50.

c. How much will your surviving spouse (s) get?

The surviving spouse (s) benefit will be equal to 50% of the pension that the deceased Member would have received had he retired on the date of death or a minimum pension of 30% of the ACSSI, whichever is greater.

Illustration:

Let us assume three deceased Members: Mrs. High, Mrs. Middle and Mrs. Low survived by a spouse:

Category	Monthly Pension	Survived by
1. Late High	Nu. 10,470.	Survived by spouse: Mr. A
2. Late Middle	Nu. 6,079.	Survived by spouse: Mr. B
3. Late Low	Nu. 2,914.	Survived by spouse: Mr. C

The surviving spouse benefit will be 50% of the deceased Members' pension or the minimum pension, whichever is higher. (See following chart.)

(Assuming monthly ACSSI of Nu. 7,396 for financial year 2006-2007)

Spouse Name	50% of deceased Member's Pension	30% of ACSSI	Actual Spouse Benefit payable
Mr. A	Nu. 5,235	Nu. 2,219	Nu. 5,235
Mr. B	Nu. 3,040	Nu. 2,219	Nu. 3,040
Mr. C	Nu. 1,457	Nu. 2,219	Nu. 2,219

d. When do the spousal benefits start and how long?

The Surviving Spouse (s) Benefit will commence from the month next following the date of the death of the Member, or the date when the surviving spouse (s) reaches age 50, whichever is later. The benefit will be payable up until death or remarriage, whichever is earlier.

e. Payment of surviving spousal benefits to more than one spouse (s)

If a Member is survived by more than one spouse then such payments shall be made as per the Laws of the Land.

1.2 SURVIVING CHILDREN BENEFIT

a. Surviving children benefits on the death of a Member

If legitimate minor children survive a Member, Surviving Children Benefits shall be paid on fulfilling the following conditions:

- ☞ Deceased Member is survived by child(ren) less than 18 years of age; and
- ☞ Deceased Member has worked at least a minimum of 3 years; and
- ☞ Deceased Member has made at least a minimum of 36 monthly contributions; and
- ☞ Deceased Member is survived by a spouse (s).

b. How much will my children get and for how long?

The children benefit is 10% of ACSSI for each child less than 18 years of age subject to a maximum of three children. In cases where there are more than three surviving children, the benefits will be payable to the surviving children who are less than 18 years. On the eldest child attaining the age of 18 years, the benefit will be payable to the next child, if any, and so on.



Illustration

Assume as an example that deceased Members, High, Middle and Low are survived both by a spouse and children all less than 18 years of age.

1. **High, survived by children: Ah age 15, Bh age 12 and Ch age 5.**
2. **Middle, survived by children: Am age 15, Bm age 12 and Cm age 5.**
3. **Low, survived by children: Al age 15, Bl age 12 and Cl age 5.**

Each child is eligible for a benefit of 10% of ACSSI paid monthly until the child attains age 18. (See chart below.)

(Assuming monthly ACSSI of Nu. 7,396 for financial year 2006-2007:

Name of children	Age	10% of ACSSI per child	Children benefit payable
Ah, Am,Al	15 years	Nu.740	Nu. 740
Bh, Bm, Al	12 years	Nu. 740	Nu. 740
Ch Cm, Cl	5 years	Nu. 740	Nu. 740
Total Benefits			Nu. 2,220

NB: Once the first child attains age 18, the benefit will cease and the fourth child, if any, will begin to receive a benefit of 10% of ACSSI.**

1.3 ORPHAN BENEFIT

a. Orphan Benefits on death of both parents

If you are not survived by any spouse (s), but are survived by children falling within the definition of family, your children will be entitled to an *Orphan Benefit*. These benefits will be payable on fulfilling *all* of the following:

- ☞ Deceased Member was survived by children less than 18 years of age;
- ☞ Deceased Member has worked at least a minimum of 3 years;
- ☞ Deceased Member has made at least a minimum of 36 monthly contributions;
- ☞ Deceased Member is not survived by any spouse (s).



b. How much will my orphan get and for how long?

The Orphan Benefit payable will be equal to 15% of ACSSI per child until the child attains 18 years of age. The Orphan Benefit will be payable to a maximum of three orphans at a time and will run in the order from the eldest to the youngest orphan.

Illustration:

Mr. & Mrs X are survived by 3 children A, B, and C (all under age 18), say in financial 2002-2003. Each orphan will be entitled to 15% of ACSSI for the prior financial year 2001-2002:

i.e. 15% X 6,699 = 1,005 per month

Child A's benefit = Nu. 1,005 per month

Child B's benefit = Nu. 1,005 per month

Child C's benefit = Nu. 1,005 per month

Total Children = Nu. 3, 015 per month
(If monthly ACSSI for previous year 2001 - 2002 is 6,699)

1.4 DEPENDENT PARENT BENEFIT

a. Biological or adopted Dependent Parent Benefits

If you are unmarried *and* where no spousal and/or children benefits are payable on death and leave behind dependent biological or legally adopted parents, then these dependents (either your father or mother) will be entitled to a Dependent Parent Benefit. To collect this benefit, the following conditions must be met:

- ☞ Deceased Member has worked at least a minimum of 10 years; and,

- ☞ Deceased Member has made at least a minimum of 120 monthly contributions; and,
- ☞ Deceased Member was not married at all; and,
- ☞ No Spousal Benefits are payable; and,
- ☞ No Children or Orphan Benefits are payable.

b. Nomination of one of the dependent parents

Only **one parent** may be nominated to claim dependent parent benefits.

c. How much will the nominated dependent parent get?

Your nominated dependent biological or adopted father or mother will get 50% of your pension or a minimum benefit equivalent to 30% of ACSSI, whichever is greater.

d. When do the benefits start and for how long?

The benefit to your nominated dependent parent will be paid till his/her death from the date of your death or from the date when the nominated dependent reaches minimum civil service retirement age, whichever is later.



2. GENERAL INFORMATION FOR APPLICATION FOR BENEFITS

2.1 Surviving Family Benefits

a. What is required when applying for benefits?

When you apply for surviving spouse(s)/children/dependent parent benefits, the following forms must be completed and submitted through the last employer along with a covering letter directing NPPF to pay benefits:

- ☞ Application form (duplicate) for Spouse(s)/Children / Dependent Parent Benefit Form IIS.
- ☞ Two passport size photographs for preparing your Pension Identity Card
- ☞ Office Order from the last employer
- ☞ Completed Refund of Provident Fund Form
- ☞ Audit Clearance from Royal Audit Authority for civil servants and other members
- ☞ Last Pay certificate
- ☞ Clearance from Ministry of Finance (only officials in BCSR Grad III and above)
- ☞ Clearance from Financial Institutions
- ☞ A copy of Citizenship Identity card
- ☞ Death certificate of the deceased Member
- ☞ A copy of health certificates (children only).

b. How do you apply as the survivor of a Member who dies after retirement?

If you are a survivor of a pensioner who is applying for survivor benefits, you need to apply through your Gup/Dzongkhag with the following **completed** documents:

- ☞ Application form for Surviving Spouse (s)/ Children/Dependent Parent Benefit: Form SII
- ☞ Two passport photographs for preparing pension identity card
- ☞ Return Pension Identity Card of the deceased Member
- ☞ A copy of your Citizenship Identity Card
- ☞ Death certificate of the deceased Member
- ☞ A copy of health certificate(s) (children only).

c. How do you submit your documents to the NPPF?

You may personally deliver your documents or mail them to NPPF. Once all papers are submitted to the NPPF you should insist for an acknowledgement receipt from the Dispatch Section of the NPPF.

d. How to open your Pension Savings Account.

The NPPF will verify all your documents and information. If all required papers and information are in place, the NPPF will recommend the opening of your Pension Savings Account with the Bank of Bhutan branch of your choice. For this, you must complete the following forms as required under the Pension Delivery System.

- **Letter of Lien** Form-IV;
- **Letter of Undertaking** Form-V

The NPPF will then forward a copy of Pension Benefit Form SII, Form-IV and Form-V along with the following forms for opening a Pension Savings Account:

- Form-III: for Opening of Pension Savings Account with the Bank of Bhutan
- Form VI: Confirmation of Pension Saving Account number by the Bank of Bhutan

Each child should open separate account with undertaking by the guardian.

After opening your Pension Savings Account, the Bank will forward the completed Form-VI to NPPF confirming your Pension Savings Account number.

e. When do you receive your benefit?

The NPPF will process Surviving Family Benefits only after receiving your Pension Savings Account details and issue you with a *Pension Identity Card* in order to effect your Surviving Family Benefits. The paying bank branch will credit your Surviving Family Benefits on a monthly basis to your Pension Savings Account within the 1st and 5th of each month. Your *Pension Identity Card* along with the *Bank Pass Book* must be produced to the Bank every time you visit the Bank to withdraw your Surviving Family Benefits.

OFFICIAL NOTICE: *This pamphlet is for illustrative and explanatory purposes only. In all cases the Rules & Regulations of the National Pension & Provident Fund Plan will prevail for compliance.*

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TODAY
FOR SECURITY
IN OLD AGE

NATIONAL PENSION
&
PROVIDENT FUND
SECURITY IN OLD AGE



SAVE AS YOU EARN

**EXPLANATION OF
SURVIVOR PENSION
BENEFITS**