

Cross-cutting introduction to Survivors (Table VII)

One of the most traumatic of all risks is that of the death of a breadwinner. For the surviving partner and his/her dependents the sudden loss of income can be catastrophic as attempts are made to meet the immediate costs of a funeral while at the same time attempting to meet daily household costs including housing, fuel and food. A survivor's benefit is therefore of very considerable importance and may be defined as a benefit that is paid by a pension plan/fund to the designated beneficiary of an employee (usually a spouse or partner), upon the death of that employee.

Survivor's pension benefits vary greatly from one country to another and are often dependent on the pattern of employment. In countries where the proportion of women participating in the labour force is roughly the same as for men, the survivor's pension mainly targets dependents'/children, and benefits are generally not paid after the dependent child becomes an adult. Survivor's pensions for adults are usually provided in the form of widow's/widower's pensions and are payable for life unless the beneficiary remarries. While it is usual to pay a survivor's pension as a proportion of what would have been the deceased person's old age pension, lump sum payments are also possible.

Spouses and children (sometimes parents) of claimants, and also former spouses who may be entitled to a maintenance allowance, are considered as 'survivors'. If a survivor's pension is paid under a statutory insurance scheme, parents, step-parents and foster-parents may also have a legitimate entitlement if they were being maintained by the claimant. A widower may be able to claim rights similar to those of a widow if he was dependent on his wife.

Survivor's benefits can be placed in one or other of two categories: A pre-retirement survivor's benefit is paid to the designated beneficiary of an employee in the event of the employee's death prior to retirement. A post-retirement survivor's benefit is paid to a designated beneficiary upon the death of the employee after retirement. In most cases, the employee must make a specific declaration to establish these survivor's benefits, and must ensure that there is a named beneficiary.

The widow's pension is usually earnings-related, but in some countries is also an income-tested and/or time-limited benefit. The coverage or protection of widows differs considerably

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between countries. For example, some countries only pay the benefit if the marriage had existed for a specified period of time; other countries pay the benefit to any widow/er who is disabled or to widows of any age, for a short period or indefinitely. Widows' benefits normally cease on remarriage. Most countries provide only temporary pension entitlement for relatively young widows, as this group is expected to work after a transitory period

Furthermore, there is a distinction between contributory and non-contributory survivor's benefits. While contributory benefits are based on derived rights, non-contributory benefits are basic pensions available to every older widowed resident or to those below a certain income level. In some countries, survivor's benefits are paid only if the deceased spouse made contributions to the pension system. In contribution-related systems with flat rate benefits, the surviving spouse is usually entitled to a benefit comparable to the insured's basic pension amount.

Non-contributory system usually takes the form of a tax-financed system that gives universal coverage. In many countries, widows without contributions or earnings histories are entitled to basic or targeted pensions that are usually based on residence requirements. In countries where no such provisions exist, survivors are entitled to general social assistance benefits.

In many countries the survivor's benefit could be drawn either from the statutory pension scheme or from statutory accident insurance. The survivor's pension is paid under accident insurance if the claimant's death is the result of an accident at work or occupational illness.