

# DEATH BENEFITS

Nonoccupational and occupational death benefits are designed to provide some financial security to survivors when members die. Your beneficiary designation may determine who receives your death benefit.

## Nonoccupational Death Before Retirement

When a member dies from nonoccupational causes before retiring, the spouse, qualified same-sex partner, or other eligible beneficiary is entitled to the death benefit described below, unless benefits are payable under the 1% Supplemental Contributions Provision. (See the chapter on Membership Benefits for more information.)

### Nonvested Member Death Benefits

For a member with less than one year of TRS service, or before becoming vested if the member is inactive, the death benefit is:

- The balance of the employee contribution account, which includes mandatory contributions, indebtedness principal and interest payments, supplemental contributions, and interest credited to the account.

For an active member with at least one year of TRS service, but before becoming vested, the death benefit is the sum of:

1. The balance of the employee contribution account, which includes mandatory contributions, indebtedness principal and interest payments, supplemental contributions, and interest credited to the account;
2. \$100 times the number of years of TRS membership service;
3. \$1,000; and
4. \$500 if the member is survived by at least one dependent child at the time of death. This benefit is payable only if the member's dependent child or that child's parent or legal guardian is the designated beneficiary.

The sum of 2 and 3 cannot exceed \$3,000.

### Vested Member Death Benefits

For a member vested in the TRS, the death benefit is:

- The nonvested member death benefits described in the previous section for members with at least one year of service; or
- A monthly 50 percent joint and survivor benefit.

If someone other than the spouse or qualified same-sex partner is the designated beneficiary, that person will receive the nonvested member death benefits described in the previous section for members with at least one year of service.

The 50 percent joint and survivor benefit will be calculated on the member's average base salary and years of TRS credited service at the time of death.

### Occupational Death

When a member dies from occupational causes before retirement, the spouse, qualified same-sex partner, or other eligible beneficiary is entitled to the monthly survivor's pension as described in this section unless benefits are payable under the 1% Supplemental Contributions Provision. **The member does not have to be vested to qualify for occupational death benefits.**

The spouse or qualified same-sex partner will receive a monthly survivor's pension equal to 40 percent of the member's annual base salary immediately before the member's death, divided by 12 months. The pension amount will change on the date the member would have been eligible for normal retirement. The new benefit will be calculated as a normal retirement benefit based on the average base salary as established at the time of death and the total service that would have accrued if the member had lived and worked until eligible for normal retirement.

If there is no surviving spouse, qualified same-sex partner, or dependent child, and if someone else is the designated beneficiary, that person will receive the following lump sum amount:

- The balance of the employee contribution account, which includes the mandatory contributions, any indebtedness principal and interest payments, any supplemental contributions, and interest that has accrued on the account; and
- a lump sum payment of \$1,000; and
- \$100 times the number of years of TRS membership service that the member had at the time of death. (The total of 2) and 3) may not exceed \$3,000.)

### 1% Supplemental Contributions

Under this provision, members who first entered the TRS before July 1, 1982, may participate in the 1% Supplemental Contribution Provision. Either a spouse's

pension or a survivor's allowance is payable upon the member's death. When a member dies, benefits are payable if one of the following requirements is met:

- The member was actively employed or on a sabbatical leave or approved leave without pay (LWOP) and paid mandatory and supplemental contributions for at least one year immediately before his or her death;
- The member was receiving a TRS disability benefit and paid supplemental contributions for at least one year immediately before being appointed to disability; or
- The member was retired or deferred vested and paid supplemental contributions for at least five years immediately before terminating TRS employment. (For members who first entered the TRS prior to July 1, 1977, only one year is required.)

The monthly survivor's allowance is payable if a deceased member has eligible dependent children and meets the above eligibility requirements. The monthly spouse's pension is payable to the surviving spouse or qualified same-sex partner if there are no eligible dependent children and the deceased member meets the above eligibility requirements.

### Survivor's Allowance

The survivor's allowance is based on the member's annual base salary immediately before the member's death, retirement, or disability. The annual allowance is:

- 10 percent for each dependent child up to a maximum of four children (40 percent). The allowance ceases when no children are eligible;
- 35 percent for an eligible spouse or qualified same-sex partner. The spouse or qualified same-sex partner must be legally responsible for the member's dependent children. This allowance is paid in addition to the above dependent child allowance and ceases when no children are eligible. The spouse or qualified same-sex partner then becomes eligible for the spouse's pension; and
- 10 percent for each court-appointed guardian up to a maximum of four guardians (40 percent) if there are four or more children. This allowance is limited to one guardian for each child. When there is no longer a dependent child eligible for an allowance, the guardian's allowance ceases. If a spouse or qualified same-sex partner is eligible under the survivor's

allowance, a guardian's allowance will not be paid.

### Spouse's Pension

A monthly spouse's pension is payable to the surviving spouse or qualified same-sex partner if there are no dependent children and the eligibility requirements have been satisfied. The spouse's pension is equal to:

- 50 percent of the member's retirement benefit including post retirement pension adjustments (PRPAs) at the time of the retired member's death; or
- 50 percent of the normal retirement benefit, that would have been payable had the member been retired.

### Death Benefit Payments

Benefits accrue from the first day of the month following the member's death and are payable at the end of the month.

- For a nonoccupational death, monthly death benefits cease when the spouse or qualified same-sex partner dies.
- For an occupational death, benefits stop when there is no longer a surviving spouse, qualified same-sex partner, or eligible dependent child.
- For a survivor's allowance, benefits stop when there are no longer any dependent children.
- For a spouse's pension, benefits stop when the spouse or qualified same-sex partner dies.

### Death Benefits for Retired / Deferred Vested Members

When a member dies after retiring, the beneficiary is entitled to the benefit check for the month in which the member dies. However, a check payable to a deceased member must be returned to the Division and reissued in the beneficiary's name. It is illegal to cash a deceased member's check.

If the member was participating in the 1% Supplemental Contributions Provision, death benefits will be paid under those provisions.

If the retired member selected a joint and survivor option at retirement, the beneficiary will start receiving that benefit.

If the retired member did not select a joint and survivor option, the beneficiary will receive the balance remaining in the employee contribution account, if any.

If the member was deferred vested, the beneficiary will be paid under the nonoccupational death provision.