

# Understanding PERS Death Benefits

*Nonoccupational and occupational death benefits provide a benefit payment to survivors when a PERS member dies. 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 or other eligible beneficiary is entitled to the death benefit described below.

### **Nonvested Member Death Benefits**

For members with less than one year of PERS service the death benefit is the balance of the employee contribution account. This includes:

- Mandatory contributions, voluntary contributions, indebtedness principal and interest payments, and interest credited to the account.

For members with at least one year of PERS service, but not yet vested, the death benefit is:

- The balance of the employee contribution account. This includes the same as listed above, and
- A lump-sum death benefit of \$1,000 plus \$100 times the years of credited service.



### **Vested Member Death Benefits**

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

#### **Spouse Beneficiary**

The nonvested member death benefits for members with at least one year of service; or

A monthly 50% joint and survivor benefit.

The 50% joint and survivor benefit is based on the member's average monthly compensation and years of PERS credited service at the time of death.

The spouse must have been married to the member for at least one year to be eligible to receive the 50% joint and survivor benefit. If the death is accidental or occupational, this one-year requirement does not apply.

#### **Non-Spouse Beneficiary**

If someone other than the spouse is the designated beneficiary, that person will receive the nonvested member death benefits for members with at least one year of service.

## **Occupational Death Before Retirement**

When a member dies from job related causes before retirement or while receiving occupational disability benefits, the spouse or other eligible beneficiary is entitled to a death benefit. The member does not have to be vested to qualify for occupational death benefits.

The spouse is automatically the designated beneficiary if they were married during part of the member's employment and a waiver of benefits was not received by the Division. If there is no surviving spouse, and the member has dependent children, the monthly survivor's pension will be divided equally among those children.

The monthly survivor's pension is equal to 40% of the member's gross salary at the time of death or end of employment due to occupational disability.



For a peace officer or fire fighter, the monthly survivor's pension is the greater of 50% of the gross salary or 75% of the normal retirement benefit they would have earned when they retired.

At the member's normal retirement date (by age or service) the benefit changes. The benefit will then be paid as if the member had worked until normal retirement.

**Exception:** The pension amount payable to survivors of members who first entered the PERS before July 1, 1976, will be allowed to choose to receive benefits under the current law or old law.

### 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 dies.

For an occupational death, benefits stop when there is no longer a surviving spouse or eligible dependent child.

### Death Benefits for Retired Members

When a member dies after they have retired, the beneficiary is entitled to the benefit check for the month in which the member dies, if not already paid to the member. 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 selected a joint and survivor option at retirement, then the beneficiary will start receiving that benefit.

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

### Beneficiary Designation

**Remember:** *Payment of PERS death benefits is based on the last designation received by the PERS.*

An up-to-date Beneficiary Designation for Active and Deferred Members (form 02-822) or Retiree Beneficiary Designation (form 02-822a) should always be on file with the PERS.

If no beneficiary is designated, or the beneficiary is deceased, the benefits will be paid:

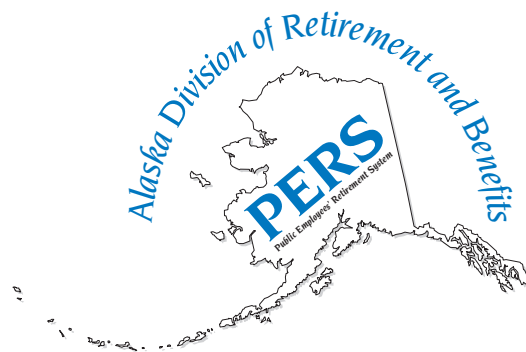
- To the surviving spouse or, if there is none;
- In equal parts to the surviving children or, if there are none;
- In equal parts to the surviving parents or, if there are none;
- To the member's estate.

### What Tier Am I?

Members who first entered a PERS position and were making contributions:

- **Tier I** — Before 7/1/86.
- **Tier II** — On or after 7/1/86, but before 7/1/96.
- **Tier III** — On or after 7/1/96, but before 7/1/06.

The information included here only applies to Tiers I, II, and III.



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