

Survivor Benefits

General Principles

- 100% of employee contributions are always returned, whether that be in DROP payments while active, retiree payments, payments to qualifying survivors or final payment to beneficiaries.
- Generally the survivor payments are focused on the payment to the qualifying spouse
- However, provisions are included for other qualifying survivors and members with no qualifying survivors

Qualified Survivors

- Qualifying Surviving Spouse: The person you were married to when you left active service.
 - Note: You must have been continuously married to this person prior to your death.
- Your minor children who are under the age of 19, unmarried, and conceived or adopted prior to leaving active service
- Your child, who is totally disabled from a physical or mental disability. DPFP requirements for survivor benefits as a disabled child include: physically or mentally disabled, unmarried, cannot support himself or herself or hold gainful employment and the disability must have occurred before the child reached age 23. Your disabled child's attending physician would be required to provide a diagnosis with the date of onset and a prognosis. Your child would also be required to see an independent physician.
- Dependent parents who meet the guidelines in Article 6243a-1. Must receive more than ½ of their financial support from you immediately preceding your death.

Survivor Benefits

- Generally, a Qualified Survivor receives 50% of the member's monthly benefit (Base + COLA).
 - Qualifying Spouse – 50% of member's benefit paid over spouse's life
 - Spouses are eligible for 50% of the member's benefit supplement if age 55 by 9/1/2017
 - Qualifying Children – 50% of member's benefit
 - If you have more than one qualified child, then all children will share the benefit equally
 - Paid until child turns 19 or over the lifetime of a qualifying disabled child
 - Qualifying Dependent Parents – 50% of member's benefit
 - Applicable only if no other qualified survivors
- Benefits for qualifying surviving children or dependent parents cannot exceed 50% of your monthly pension.

Survivor Benefits Example

Member's monthly benefit (Base + COLA) is \$5,000 per month

Qualifying Spouse's monthly survivor benefit would be \$2,500

Qualifying Children's survivor benefit would be \$2,500, shared equally if more than one child

Eligibility for Special Survivor Benefit

- Before joining DROP or Leaving Active Service:
 - You must have at least 20 years of Pension Service and be at least 55 years of age or
 - Your age at the time of setting your benefit added to your years of pension service is equal to at least 78
 - Qualified surviving spouse must have attained age 55 prior to receiving the increased benefit

Special Survivor Benefits

- Pays your surviving spouse a percentage greater than 50% of pension paid to you at no additional cost
- This percentage is equal to the member's service percent established at the time the pension benefit is set

Calculating a Special Survivor Benefit

Age	Separation Date	Original Service Date	Pension Service Years
55.9808	08/31/2019	03/30/1994	25.32877

*Eligibility meets both criteria options: 1. Age 55 with at least 20 years, 2. Age + Years = at least 78

	Start Date	Service	Multiplier	Average Comp. Pay	Pension Amount	Survivor Amount
20 and Out Benefit						
Pre 9/1/2017	09/01/2019	23.42465	3.0%	\$ 7,701.72	\$ 5,412.30	\$ 3,803.43
Post 9/1/2017		1.90412	2.2%	\$ 7,520.76	\$ 315.05	\$ 13.20
				<i>Total</i>	\$ 5,727.35 ^{1,2}	\$ 3,816.63 ³
Service Retirement						
Pre 9/1/2017	09/01/2019	23.42465	3.0%	\$ 7,701.72	\$ 5,412.30	\$ 3,803.43
Post 9/1/2017		1.90412	2.2%	\$ 7,520.76	\$ 315.05	\$ 13.20
				<i>Total</i>	\$ 5,727.35 ^{2,4}	\$ 3,816.63 ³

Pre 9/1/2017 Service x Multiplier = 23.42465 x 3% = 70.27%

Post 9/1/2017 Service x Multiplier = 1.90412 x 2.2% = 4.19%

Special Survivor Percent = 70.27% + 4.19% = 74.46%

Qualified Spouse would get 74.46% of Member's benefit: \$5,727.35 x 74.46% = **\$4,264.58**

100% Joint and Survivor Annuity

- Allows member to elect a permanently reduced member benefit in exchange for a larger surviving spouse benefit
 - If elected at the time of setting pension benefit, the one-year qualifying period will not apply
 - If not elected at the time of setting pension benefit, must live one year for 100% J&S to become effective for spouse. If the member dies within one year after electing the option, the 100% J&S Annuity becomes void. Reduction amounts will be refunded to the surviving spouse.
- Reductions are based on an actuarial calculation that considers both the age of the member and spouse
- The reduced pension benefit is effective immediately

100% Joint and Survivor Annuity Examples

Example One:		100% Joint and Survivor Annuity			
		Spouse NOT 55 as of 09/01/2017			
		Adjustment from a 50% Benefit to a 100.00% Benefit:		94.48%	
	Original Benefits	Adjusted Benefits			
Member	12/11/2019				
Base	\$4,111.10	\$3,884.17			
Annual Adjustment	\$1,151.08	\$1,087.54			
Benefit Supplement	\$157.87	\$149.16			
Total Gross Pension	\$5,420.05	\$5,120.87			Difference -\$299.18
Spouse	50% J&S	100% J&S			
Base	\$2,055.55	\$3,884.17			
Annual Adjustment	\$575.54	\$1,087.54			
Benefit Supplement	\$0.00	\$0.00			
Total Gross Pension	\$2,631.09	\$4,971.71			Difference \$2,340.62

100% Joint and Survivor Annuity Examples

<u>Example Two:</u>	100% Joint and Survivor Annuity			
	Spouse is 55 as of 09/01/2017			
	Adjustment from a 84.60% Benefit to a 100.00% Benefit:			97.78%
	Original Benefits	Adjusted Benefits		
Member	8/7/2019			
Base	\$4,991.47	\$4,880.66		
Annual Adjustment	\$2,196.26	\$2,147.50		
Benefit Supplement	\$215.63	\$210.84		Difference
Total Gross Pension	\$7,403.36	\$7,239.00		-\$164.36
Spouse	Special Survivor	100% J&S		
Base	\$4,222.78	\$4,880.66		
Annual Adjustment	\$1,858.04	\$2,147.50		
Benefit Supplement	\$182.42	\$210.84		Difference
Total Gross Pension	\$6,263.24	\$7,239.00		\$975.76

Estate Payments

- When a retiree dies with no qualifying survivors his/her final pension payment may result in the following:
 - An underpayment which will be paid evenly to the member's beneficiaries listed on the Beneficiary Designee Selection Form: Final Deceased Member's Benefit or
 - An overpayment which DPFP will attempt to recover from the member's bank. Any amounts not recovered will need to be repaid by the estate

Applying for Survivor Benefits

- Complete application
- Original certified copy of death certificate
- Provide copies of required documentation:
 - Marriage License
 - Birth Certificates
 - Social Security Cards
 - Additional documentation required for disabled children and dependent parents