

*No one plans to die before retirement. However, you can and should designate where the money you have been contributing to the retirement system should go. The member's Beneficiary Selection Forms instruct your Retirement Board on the disposition of your retirement benefits in the event that you should die **prior to retirement**. You have the right at any time prior to retiring to change your beneficiaries.*

## **I. CHOICE OF BENEFICIARY TO RECEIVE A RETURN OF ACCUMULATED DEDUCTIONS AT MEMBER'S DEATH**

The first part of the Beneficiary Selection form asks you to name a beneficiary or beneficiaries who, upon your death, will be entitled to receive a one-time payment of your accumulated retirement deductions which have been withheld from your compensation and credited to your account. This is paid in accordance with G.L. c. 32, § 11(2). You can name any person as your beneficiary to receive this benefit. The Board will pay the amount owed to the beneficiary or beneficiaries named on the Beneficiary Selection Form, unless another section of the retirement statute supersedes, as discussed below. This is a lump sum payment without an allowance. The Board cannot return the deceased member's accumulated deductions to the § 11(2) beneficiary if there is an eligible beneficiary nominated under another section of the law, § 12(2)(d), or if there is an eligible spouse, or if there are minor or dependent children.

## **II. CHOICE OF OPTION D BENEFICIARY**

The second page of the form asks you to name a § 12(2)(d) or "Option D" beneficiary. You can name only one Option D beneficiary, and it must be your spouse, child, a former spouse who has not remarried, mother, father, brother or sister. The Option D beneficiary will receive a Member Survivor Allowance for life. There would be no return of the accumulated deductions made to the § 11(2) beneficiary, because the Option D beneficiary's rights are superior. Some members select a minor child as their Option D beneficiary in order to maximize the retirement benefit.

## **III. RIGHT OF AN ELIGIBLE SPOUSE**

Irrespective of what is stated on the Beneficiary Selection Form, if an active member dies having worked for at least two years and having been married for at least one year, and if the member and spouse were living together, the surviving spouse may elect to receive the Member Survivor Allowance provided in § 12(2)(d). The surviving spouse's right trumps the right of any other beneficiary named by the member. Thus, a member is entitled to name a young child as the Option D beneficiary, knowing that the surviving spouse can always elect to receive the allowance instead of the child.

## **IV. COMPLETE BOTH SECTIONS OF THE BENEFICIARY SELECTION FORM**

Members should make sure to designate both § 11(2) beneficiary or beneficiaries and a § 12(2)(d) beneficiary. If the member should die as the result of an on-duty injury, the accidental death benefit in § 9 provides that accumulated total deductions shall be paid in a lump sum to the named § 11(2) beneficiary. In addition to the lump sum payment, the Board will pay a lifetime allowance to the surviving spouse or other eligible beneficiary. Thus, accumulated deductions can be paid to one person and an allowance paid to a different person, as long as the member has designated a § 11(2) beneficiary. The member can name a spouse or other eligible beneficiary as both the § 11(2) and § 12(2)(d) beneficiary.

## Why Every Member Should Consider Naming an Option D Beneficiary

If you are killed in the line of duty, or die as a result of injuries sustained while in the performance of duties, your dependents are entitled to statutory benefits under various sections of MGL Chapter 32, the public employee retirement law. However, if your death is not job related, then Option D, or the "Member-Survivor Allowance" can provide benefits to your survivors.

Option D provides your named beneficiary with the monthly retirement allowance that you have received under Option C had you retired on the date of death. If you are under age 55 at death, your age will be "bumped up" to 55 to calculate the allowance. (For members joining the system after April 2, 2012, the age is 60.) The age of your beneficiary is also "bumped up" to an equal amount. If over 55 (or 60 for newer members), the calculation factor for your actual age at death is used.

Who can be an Option D beneficiary? Only one Option D beneficiary may be named, and only a spouse, child, former spouse who has not remarried, mother, father, brother or sister is eligible for designation. Unless trumped by a spousal election, your nominated Option D beneficiary must receive the allowance.

Surviving Spouses. If you do not make an Option D designation, your spouse can still elect to receive the Option D allowance, or can request a return of your accumulated retirement contributions, if

1. You have completed **at least two years of creditable service**;
2. You and your spouse have been **married for at least one year**, and
3. You and your spouse have been **living together at the time of your death**.

If you and your spouse were not living together at the time of your death, the Board must find that you were **living apart for justifiable cause**, other than desertion or moral turpitude on the part of your spouse.

The rights of an eligible surviving spouse will always trump any other person nominated as the Option D beneficiary. The retirement board will notify your spouse of his or her right to elect Option D benefits and your spouse has 90 days from the date of this notice to elect Option D benefits. To be effective, the election must be made on a prescribed form and filed with the Board. However, if your spouse is named by you as the Option D beneficiary, your spouse **MUST** receive the monthly allowance, and may not choose between the allowance and a one-time lump sum return of your accumulated contributions.

Dependent Children. When a member-survivor Option D allowance is paid, another statute, Section 12B, provides an additional allowance to your minor children of **\$120 per month to the oldest child**, and **\$90 per month to each additional child**. These benefits will end upon adoption or marriage, or upon reaching age 18, or age 22 if a full-time student. Benefits to children will not end if the child is physically or mentally incapacitated from earning on the date of your death. If you have no spouse, your children can, in some circumstances, receive the benefits a spouse would have received along with Section 12B benefits.

A member-survivor Option D allowance may also be available to a beneficiary of an inactive member. However, no benefit for children is available under Section 12B.

For further information check out PERAC's Guide to Survivor Benefits:

<http://www.mass.gov/perac/survivorguide/survivor3.PDF>