

Understanding TRS Death Benefit

There are two types of TRS death benefits: nonoccupational and occupational. These death benefits provide a benefit payment to eligible survivors of a TRS member.

Nonoccupational Death

When a member dies before retiring from causes not related to their job, the eligible beneficiary may receive either the death benefit described below, or benefits under the supplemental contributions provision.

Nonvested Members

When a nonvested member dies from causes unrelated to their job:

- After less than one year of TRS service, or the member is inactive, the death benefit is the employee's contribution account described in item 1 below.
- After at least one year of TRS service, and the member is active, the death benefit is the lump sum amount of items 1, 2, 3, and 4 below.
 1. The balance of the employee contribution account. This includes mandatory contributions, indebtedness principal and interest payments, supplemental contributions, and interest on the account;
 2. A lump sum payment of \$1,000;
 3. \$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); and
 4. \$500 if the member is survived by at least one dependent child at the time of death. This benefit is only payable if the member's dependent child or that child's parent or legal guardian is the designated beneficiary.

Vested Members

When a vested member dies from causes unrelated to their job and the spouse is the chosen beneficiary, the spouse may select one of the following:

- The lump sum benefit described in items 1, 2, 3, and 4 above; or
- A monthly 50% joint and survivor benefit.

If someone other than the spouse is the chosen beneficiary, that person will receive the lump sum benefit described in items 1, 2, 3, and 4 above.

50% Joint and Survivor Benefit

If the spouse selects the 50% joint and survivor benefit, monthly benefits will be based on the member's average base salary and TRS service at the time of death.

Benefits accrue from the first day of the month following the member's death. They are payable at the end of the month. Benefits stop when the spouse dies.

Occupational Death

When a member dies before retiring from job-related causes, the eligible beneficiary will receive the death benefit. They will either receive the

benefit described in this section, or benefits payable under the supplemental contributions provision. The member does not have to be vested to qualify for these benefits.

The spouse is the beneficiary if the Division did not receive a Waiver of Benefits. The spouse will receive a monthly survivor's pension. If there is no surviving spouse, and the member has dependent children, the survivor's pension will be divided equally among those children.

Monthly Survivor's Pension

The monthly survivor's pension is 40% of the member's last base contract salary (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 based on the member's average base salary at the time of death and total TRS service. This includes potential service accrued as if the member had worked until eligible for normal retirement.

Benefits accrue from the first day of the month after the member's death and are payable at the end of the month. Benefits stop when there is no longer a surviving spouse or eligible dependent child.

Lump Sum Benefit

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

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

1% Supplemental Contributions

Under this provision, members who were first hired before July 1, 1982, may provide survivors' benefits to their spouses and dependent children upon their death.

Eligible members were required to elect participation within 90 days of their initial hire date. But, they may also elect participation if their written election forms are received by the TRS or postmarked within 90 days of:

1. Their most recent TRS hire date, if at least 12 months has elapsed since they were active TRS members;
2. Their marriage (a copy of the marriage certificate must be provided to the TRS); or
3. The birth or adoption of a dependent child (a copy of the birth certificate or adoption order must be provided to the TRS).

Members are required to contribute an additional 1% of their base contract salary

while participating in this provision. Participating members who terminate and become reemployed are also required to contribute 1% upon reemployment. Participation may be discontinued by sending the TRS a Waiver of Supplemental Contributions (form 02-818).

Participating members who are receiving TRS disability benefits are not required to pay the 1% contributions to continue coverage under this provision.

Active members who do not participate in the supplemental provision are covered under the nonoccupational and occupational death provisions. When these members retire, they will be able to provide survivors' benefits under a joint and survivor option.

Eligibility Requirements for Survivor's Allowance and Spouse's Pension

When members have made the required 1% supplemental contributions, benefits may be payable to their spouses, dependent children, or former spouses if provided for in a qualified domestic relations order (QDRO). When a member dies, benefits are payable if:

- The member was 1) actively employed or on sabbatical leave or approved leave without pay (LWOP), and 2) paid mandatory and 1% supplemental contributions for at least one year immediately before his or her death; or
- The member was disabled and paid 1% supplemental contributions for at least one year immediately before his or her disability; or
- The member was retired or deferred vested and paid 1% supplemental contributions for at least five years immediately before terminating TRS employment.

Survivor's Allowance

A monthly survivor's allowance is payable if a deceased member has dependent children and meets the above eligibility requirements.

The survivor's allowance is based on the member's annual base salary immediately before the member's death, retirement or disability. The monthly allowance is calculated by multiplying that salary by the percentage that applies and dividing that number by 12 months.

The survivor's allowance is 10% of salary for each dependent child up to a maximum of four children (40%). The allowance ceases when a child is no longer eligible.

The survivor's allowance is 35% for an eligible spouse. The spouse must be legally responsible for the member's dependent child(ren). This allowance is paid in addition to the above dependent child's allowance. When there is no longer a dependent child eligible for an allowance, the survivor's allowance ceases and the spouse becomes eligible for the spouse's pension.

The survivor's allowance is 10% for each court appointed guardian up to

a maximum of four guardians (40%) if there are four or more children. This allowance is limited to one guardian (10%) for each child and is in addition to the dependent child's allowance. When there is no longer a dependent child eligible for an allowance, the guardian's allowance ceases. If a spouse is eligible for the spouse's allowance, a guardian's allowance will not be paid.

For information on how to apply for a survivor's allowance, and for when benefits start and stop, please refer to the *TRS Information Handbook*.

Spouse's Pension

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

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

For information on how to apply for a spouse's pension, and for when benefits start and stop, please refer to the *TRS Information Handbook*.

Who receives the TRS death benefit?

The benefit that is payable upon your death will be paid to your primary beneficiary or, if that person is deceased, benefits will be paid to your contingent beneficiary, unless

1. You are married at the time of your death and you were married to the same person during part of your TRS employment. In that case, your spouse is automatically the designated beneficiary, regardless of your written designation. Your spouse may consent to another beneficiary on form 02-822.
2. A qualified domestic order provides for payment to a former spouse.

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