

Life Changes

Why Should I Designate a Beneficiary?



Office of the New York State Comptroller
Thomas P. DiNapoli



NYSLRS

New York State and Local Retirement System

A Message from Comptroller Thomas P. DiNapoli

When you became a member of the New York State and Local Retirement System (NYSLRS), you may have designated one or more beneficiaries. A beneficiary is a person, often a relative or loved one, whom you have chosen to be eligible to receive a benefit upon your death. Since payment is made to the last beneficiaries you designated, it is vitally important that you periodically review your retirement information to make sure your beneficiary designations are up to date and reflect your current desires.



That's where this brochure can help. It explains beneficiary designations and how you can change them.

For more detailed information about the benefits available to you and your beneficiaries, be sure to read your plan booklet. If you still have questions or concerns, please contact us. As always, we are here to help.

Sincerely,

A handwritten signature in black ink that reads "Tom DiNapoli". The signature is written in a cursive, flowing style.

Thomas P. DiNapoli
State Comptroller

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The Importance of Designating Your Beneficiary

It is important to designate a beneficiary because he or she may be eligible to receive:

- An ordinary death benefit; and/or
- A New York State survivor's benefit (for beneficiaries of New York State employees).

You may designate any person, or a trust or organization, to receive your ordinary death benefit — it does not have to be a family member.

You can designate two types of beneficiaries — primary and contingent.

A **primary beneficiary** is the person who receives your death benefit. If you name more than one primary beneficiary, each will share the benefit equally, unless you indicate specific percentages (totaling 100 percent) are to be paid (e.g., John Doe, 50 percent; Jane Doe, 25 percent; and Mary Doe, 25 percent).

A **contingent beneficiary** will receive your death benefit only if all the primary beneficiaries die before you. Multiple contingent beneficiaries will share the benefit equally, unless you indicate specific percentages are to be paid.

Note: Your beneficiary designations do not affect any accidental death benefit that may become payable on your behalf, since the distribution of this benefit is mandated by law. Please read your plan booklet for eligibility information on the accidental death benefit.

Changing Your Beneficiary

Review your beneficiary designations periodically to make sure they reflect your current wishes. *Retirement Online* is our self-service tool that provides access to your retirement account information. Register or sign in from our NYSLRS home page at www.osc.state.ny.us/retire/index.php to view your current beneficiaries. Your Member Annual Statement, which is provided to you every summer, also lists your current beneficiaries. Review this information carefully. We cannot provide account-specific beneficiary information over the phone.

Marriage, divorce, the birth or adoption of a child, or the death of a loved one are common reasons why you may need to revise your beneficiary designations. It is especially important to review your beneficiaries if you become divorced. Designations for certain benefits are revoked when a divorce, annulment or judicial separation becomes final. For more information on how divorce can affect your benefits, visit our Divorce and Your Benefits page at www.osc.state.ny.us/retire/members/divorce/index.php.

You can change the beneficiary designation for your death benefit at any time. You'll need to provide information for all of the beneficiaries you want named when you make a change.

Online: *Retirement Online* is the convenient and secure way to update your beneficiaries. Sign in to your account, then click "Manage My Beneficiaries."

By Mail: Complete the Designation of Beneficiary form (RS5127), available on our website at www.osc.state.ny.us/retire/forms/rs5127.pdf, and mail it to NYSLRS.

We must reject any Designation of Beneficiary form we receive after a member dies — even if the member properly completed it prior to his or her death.

Read the instructions on the Designation of Beneficiary form before entering your preferences. Include the names, addresses and birth dates of all the beneficiaries you wish to designate. Be sure to sign and date the form and have your signature notarized. The notary must include his or her date of notary expiration and should not be an interested party (e.g., a person designated as your beneficiary). Any alterations, including erasures or use of correction fluid, may make the form invalid. Your updated beneficiary information becomes effective when we receive your properly completed, signed and notarized form.

You can name up to four primary and four contingent beneficiaries on the form. To designate additional beneficiaries, please contact us for instructions. We will not accept attachments to the form.

When you retire, you may choose to designate a beneficiary to receive your pension benefit after your death. Depending on your plan and tier, you may also be eligible to name a beneficiary for a post-retirement death benefit. You may name the same or a different beneficiary for each benefit. For information about changing beneficiaries after retirement, read our publication, *A Guide for Retirees* (VO1705), available at www.osc.state.ny.us/retire/publications/vo1705.php.

Special Designations

Retirement Online is the convenient and secure way to update your beneficiaries. Sign in to your account, then click “Manage My Beneficiaries” to make the special designations detailed below.

Minor Children: If your designated beneficiary is under age 18 at the time of your death, your benefit will be paid to the child’s court-appointed guardian. You may instead designate a custodian to receive the benefit on behalf of the minor under the Uniform Transfers to Minors Act (UTMA). Designate a custodian using *Retirement Online*, or contact us for more information and the appropriate form before making this type of designation.

Trust: You may name your trust as the primary or contingent beneficiary of your death benefit, if you have a trust agreement or provided for a trust in your will. Contact your attorney for more information. To name a trust, sign in to *Retirement Online*, or use our special Trust with Contingent Beneficiaries form (RS5127-T), available on our website at www.osc.state.ny.us/retire/forms/rs5127-t.pdf. We will also need a copy of your trust document. You can attach a photocopy to your form if you submit your request by mail, or you can upload it using *Retirement Online*.

With this type of beneficiary designation, the trust is the beneficiary, not the individuals for whom the trust was established. If you revoke the trust or it expires, its beneficiary designation is no longer valid. In that case, complete and send us a new Designation of Beneficiary form (RS5127), available at www.osc.state.ny.us/retire/forms/rs5127.pdf.

Estate: You may name your estate as the primary or contingent beneficiary of your death benefit. If you name your estate as the primary beneficiary, do not name a contingent beneficiary. Should a benefit become payable, it will be given to the executor of your estate to be distributed according to the terms of your will.

Entity: You may name any charitable, civic, religious, educational or health-related organization as your primary or contingent beneficiary. Include the organization's full name and address.

Guidelines to Keep in Mind

Whether you designate beneficiaries through your *Retirement Online* account or you submit a paper form, here are some guidelines to keep in mind:

- Do keep us informed of any address changes for you and your beneficiaries.
- Do name only living persons as beneficiaries, unless naming a trust, estate or organization.
- Do not name yourself as your beneficiary.
- Do not impose a condition on payment that we do not administer. (If you have any questions about this, please contact us.)
- Do not name the same person or organization as both primary and contingent beneficiary.
- Do not use the word “or” when designating multiple beneficiaries.

There are some additional guidelines to be aware of if you submit a paper form. Because the Designation of Beneficiary form is a legal document, it is essential that it be completed legibly and accurately.

- Do submit the original form to us. Once we approve the form, we will send you a confirmation letter listing your designations.
- Do sign the form and have your signature notarized. (The notary’s expiration date must be included.)
- Do contact us if you need to designate more beneficiaries than the form can accommodate.
- Do not write in the margins of the form.
- Do not make any alterations to the form.

Power of Attorney

If you are unable to complete a form changing your beneficiary, we will accept the form if it is completed by someone who has been granted appropriate authority under a properly executed power of attorney. The individual who has your power of attorney can only name themselves as beneficiary if you have specifically granted that authority to them. The Designation of Beneficiary form changing your beneficiary must be accompanied by a copy of your power of attorney.

NYSLRS offers a special durable power of attorney template (www.osc.state.ny.us/retire/forms/poa.pdf) that meets New York State's legal requirements. This form is limited to retirement benefit transactions and does not apply to any other matters.

You may revoke your power of attorney at any time by sending us a signed, notarized statement.

Stay Informed

Your retirement benefits are an important part of a solid financial plan. They can help you and your beneficiaries achieve financial security in retirement or in the event of disability or death. Use these tips to help you stay informed about your benefits.

- Register for *Retirement Online*, a convenient and secure way to review your benefits and conduct transactions in real time. In many cases, you'll be able to use *Retirement Online* instead of mailing forms or calling NYSLRS. Members can view benefit information, update contact information, view and update beneficiaries and apply for a loan. Learn more at www.osc.state.ny.us/retire/retirement_online/customers.php.
- Review your Member Annual Statement carefully and notify us of any errors promptly.
- Visit our website to find forms (www.osc.state.ny.us/retire/forms/index.php), publications (www.osc.state.ny.us/retire/publications/index.php), and tips on preparing for retirement, including our 5-Step Plan for Retirement (www.osc.state.ny.us/retire/planning/index.php) and Retirement Planning Checklist (www.osc.state.ny.us/retire/preparing_for_retirement/index.php).

- Attend a pre-retirement presentation to learn about the retirement process and discuss post-retirement issues. At your employer's request, we offer these presentations designed for members within five years of retirement eligibility.
- Make an appointment to visit any of our consultation sites (www.osc.state.ny.us/retire/consultation_site_offices/index.php), where you can meet with an information representative to discuss special concerns or request specific information.
- Notify us if your mailing address changes. This is especially important if you leave public employment before you are eligible to retire. Use *Retirement Online* to update your address.
- Subscribe to our blog, *New York Retirement News* (www.nyretirementnews.com), where you'll find tools to help you understand your benefits, as well as important retirement news.
- Like us on Facebook (www.facebook.com/nyslrs) and follow us on Twitter (www.twitter.com/nyslrs) for quick tips and updates on a variety of retirement topics.
- Sign up for *E-News*, our email newsletter (www.osc.state.ny.us/retire/e-news/sign-up/index.php), for the latest NYSLRS news and information.
- Read your member newsletter for current retirement information and updates on your benefits.
- Contact us (www.contactNYSLRS.com) if you have questions about your benefits.

Contact Us

If you have any questions or you need more information, we're glad to help.

- **Email:** www.emailNYSLRS.com;
- **Call:** 1-866-805-0990, or 518-474-7736 in the Albany, New York area; or
- **Write:** NYSLRS
110 State Street
Albany, NY 12244-0001.

This publication provides a general summary of membership benefits, rights and responsibilities, and is not a substitute for any New York State or federal law. For specific information about your benefits, please contact us.

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