



## What to Do When a Retired Safety Member Dies

When a retired Safety Member dies, they will leave behind one or more death benefits from SDCERS. The type of death benefit that applies depends on the circumstances as explained in this fact sheet.

**However, regardless of the circumstances, when a retired Safety Member dies, their immediate family member or beneficiary should contact SDCERS as soon as possible – this is important, because we need to end the current pension payment stream to prevent overpayments.**

To contact SDCERS and notify us of the passing of a retired Safety Member, call our Call Center at 619-525-3600, open on regular business days from 9:00 a.m. – noon and 1:00 – 4:00 p.m. (PST). When you reach a representative, state that you are calling to report the death of a retiree. You will be asked to provide the deceased's name, date and place of death, and social security number.

SDCERS will send the designated beneficiary(ies) a packet of information containing directions regarding the necessary documentation and forms needed to begin the process of paying death benefits, usually within one week of notification. SDCERS will require a copy of the deceased's death certificate before paying out any benefits.

*If you have not received a letter in the mail from SDCERS within one week of notifying us of the death of a retired member, please contact us.*

### **Death Benefit Beneficiaries**

In most cases, SDCERS will pay the applicable death benefit(s) to the living beneficiary(ies) most recently named for that benefit. As a retired Safety Member, you can change your DROP and/or retiree death benefit beneficiary designations at any time before you die. However, you will *not* be able to change your continuance beneficiary designation, if applicable. The easiest way to update a beneficiary designation is to access your SDCERS' Member Portal account and submit changes directly online.

It is important to keep your beneficiary designations up to date, particularly if your personal circumstances change (e.g., birth of a child, death of a loved one, marriage, divorce). In the case of divorce, for example, you should file a new designation—even if you wish to continue naming your now ex-spouse as your beneficiary, you must update your designation to change your beneficiary's status from "spouse" to "ex-spouse." *If you do not update the status of your beneficiary from "spouse" to "ex-spouse," by law, your beneficiary designation is automatically revoked.* We recommend reviewing your beneficiary designations at least once a year.

### **No Beneficiary Designations on File**

When you die, if (1) there is no beneficiary designation on file, all of your named beneficiaries have predeceased you, none of your beneficiaries can be located, or your named beneficiary is your estate, *and* (2) your estate is not required to be probated, then SDCERS will pay DROP and/or retiree death benefits in the following order:

- 1) Surviving spouse or domestic partner
- 2) Living children and offspring of deceased children
- 3) Parents
- 4) Siblings
- 5) Next of kin

**(Note:** If your continuance beneficiary pre-deceases you, or if you selected the “Maximum Benefit (Married)” option and you are no longer married to or in a domestic partnership with your continuance beneficiary on the day you die, the continuance benefit may be forfeited.)

### **Death Benefits for Retired Safety Members**

When a Safety Member retired or entered DROP, they were required to make one or more important beneficiary designations on their retirement or DROP application:

- 1) A continuance beneficiary, if they choose the Maximum Benefit (Married), Social Security Integrated Option, or Reduced Benefit Options 2, 3, or 4;
- 2) A beneficiary to receive their DROP account (if applicable); and
- 3) A beneficiary to receive the \$2,000 retiree death benefit and other payable monies.

### **Continuance Benefit**

You designated a single continuance beneficiary when you retired or entered DROP *if* you chose the Maximum Benefit (Married) Option, the Social Security Integrated Option, or Reduced Benefit Options 2, 3, or 4. A continuance benefit is a designated percentage of your monthly pension benefit that, upon your death, will be paid to your continuance beneficiary every month for the remainder of their life. A continuance beneficiary is eligible to receive any approved Cost of Living Adjustments (COLAs) applied to SDCERS pension benefits every July. A continuance benefit cannot be paid to an estate or trust and it ends upon the designated continuance beneficiary’s death.

*IMPORTANT: Once a Safety Member has retired or entered DROP, the beneficiary named to receive a continuance benefit is irrevocable and cannot be changed later.*

### **DROP Death Benefits**

If you participated in DROP, you made a decision regarding the funds in your DROP account when you exited DROP. If you chose to annuitize your DROP account balance and your annuity has not ended by the date of your death, you will leave behind a DROP death benefit. You may name only one beneficiary to continue receiving your monthly DROP annuity for the remainder of the annuity's term – your DROP annuity cannot be distributed to multiple beneficiaries. If you name more than one beneficiary for your DROP annuity, your beneficiaries will divide the remaining balance in your DROP account equally and receive proportionate lump sum payments. You can update your beneficiary designations for this death benefit at any time via your Member Portal.

### **\$2,000 Retiree Death Benefit & Other Payable Monies**

All retirees can name one or more beneficiaries to receive the \$2,000 retiree death benefit and other payable monies. This beneficiary designation can be changed at any time. Besides the \$2,000 lump sum payment (intended to cover funeral costs), this benefit may also include additional monies such as:

- Unpaid Annual Supplemental Benefit accrued to the retired Safety Member on a prorated basis as of the date of death (if eligible);
- Unpaid health reimbursements owed to the retired Safety Member as of the date of death (if eligible); and
- Prorated portion of unpaid monthly pension benefit if the retired Safety Member died before receiving that month's payment.

*The information in this publication is intended to provide members with a current and accurate summary of retirement benefits. However, it is not a legal document or a substitute for the law. The language used in this publication is not intended to create a contract between the City and any Member. If any information in this publication conflicts with the City's plan document, the law, or Board Rules, then the plan document, law, or Board Rules must prevail.*