

ACERA DEATH BENEFITS

Presented To

CRCEA

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ACTIVE MEMBER DEATH BENEFITS

- Spouse or domestic partner
 - Non-service-connected death: 60% of non-service-connected disability
 - Service-connected death: 100% of service-connected disability
- Children under 18 or 22 (no spouse/domestic partner)
 - Must be unmarried
 - Must be enrolled full-time in school after age 18
 - Same benefit as spouse/domestic partner but only up to 18 or 22
 - Split among all qualifying children
- Lump sum (if no allowance is paid)
 - Member account
 - Up to six months of “salary” (one month per year of service)

ADVANCE DEATH BENEFIT ELECTION

- Death Benefit Equity Policy adopted December 21, 2023
 - California Supreme Court case allows conditional disability application
 - Conditional disability application with election of optional settlement 2 or 4
 - Resolves a “race-to-the-hospital” inequity
- Check box on beneficiary designation form
 - Not available for retired members, but retired members may elect an optional settlement at retirement
- In most cases provides greater benefits for members who die in “active” status
- Beneficiaries may opt for the regular death benefits

DEFERRED MEMBER DEATH BENEFITS

- Same as active members in some cases
 - Within one month of discontinuing service
 - While continuously incapacitated for performance of duty
- Without reciprocity
 - Usually just member account
 - See above for exceptions
- With reciprocity
 - Allowance for spouse, domestic partner, qualifying children
 - Member account plus up to six months of “salary” (if no allowance)
 - Potential reductions based on amounts reciprocal system pays

RETIRED MEMBER DEATH BENEFITS

- Spouse or domestic partner
 - For service retirement or non-service-connected disability, **if married one year before retirement**: 60% of what the member was receiving at death
 - For service-connected disability, **if married at retirement**: 100% of what member was receiving at death
- Children under 18 or 22, if no spouse/domestic partner
- If no spouse, domestic partner or qualifying children, then designated beneficiaries or estate receive amount remaining in member's account after accounting for allowance payments to the member
- Optional settlements, if elected at retirement
 - Allowance to one or more beneficiaries; reduction to member's allowance
 - Cannot be changed after retirement even if a beneficiary dies
- \$1,000

BENEFICIARY DESIGNATIONS

- Designate beneficiaries when entering membership, terminating employment, retiring, or any other time
- Revisit designations after life changes—marriage, divorce, new children, designated beneficiaries die, estate planning
- ACERA must follow old beneficiary designations that may not match what you would later choose
- Name primary and contingent beneficiaries and **read the form** to know how ACERA will implement those designations; give different instructions if you want something different
- For large amounts and allowances owed to minors, ACERA must pay a legally appointed guardian
 - Make things easier by naming a “custodian”
- May designate charity, trust or estate for lump sum benefits

MARRIAGE AND DIVORCE

- Marriage after beneficiary designation: Election of surviving spouse allowance supersedes beneficiary designations
- Divorce after beneficiary designations: Designation of that spouse is presumed invalid, but there are exceptions
- Legal separation same as marriage for spouse allowance
- Pending divorce: Most likely will not impact spouse's rights
- Death benefits may be subject to domestic relations order that awards community property interest to an ex-spouse
- If living separate lives but no divorce, spouse may elect an allowance even though member named other beneficiaries
- Must be married one year before retirement (at retirement for service-connected disabilities) **and** at time of death

DEATH OF BENEFICIARIES

- Before member's death
 - Current forms state ACERA will pay all primary beneficiaries alive at member's death and, if none, then pay all contingent beneficiaries alive at member's death
 - If the form does not state the above (some old forms) ACERA may follow the "anti-lapse" statute, and pay a deceased beneficiary's share to that beneficiary's "issue" (their children or the children of their deceased child)
 - Provide different instructions if you do not want different rules
- After member's death
 - Absent other instructions, ACERA pays the deceased beneficiary's heirs
 - Provide different instructions if you want something different to happen

NO DESIGNATED BENEFICIARY

- May occur if a member never designated a beneficiary or if all designated beneficiaries died before member
- ACERA pays benefits per a will or laws of intestate succession if a beneficiary files small estate declaration
- If a small estate declaration is not an option due to the size of the estate, ACERA will pay the estate after the court has appointed a personal representative