

# MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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## Death before Retirement

The type of death benefit offered will depend on the years of service and if the cause of death was service connected or not. You must be actively employed with an MCERA participating employer upon your death in order to leave a continuance to your eligible beneficiary or a lump-sum payment of one month's compensation for each year of your credited service. If you elect a deferred retirement or a deferred retirement with reciprocity your contributions and the interest credited on them will be paid to your designated beneficiary. If you take a refund you will cease to be a member of MCERA's retirement plan and no death benefits will be payable.

### Nonservice-Related Death Benefit

**Less than 5 Years of Service Credit:** If you die before you have five years of retirement service credit, your spouse or dependent children (or other named beneficiary, if you do not have a spouse or children or they are no longer living) will receive a lump-sum payment of any contributions you made, plus interest and one month's compensation for each year of service credit up to six months compensation.

**Five Years or More of Service Credit:** If you have at least five years of retirement service credit at the time of your death the following options are possible:

- **Optional Death Allowance** (available only to your eligible spouse, registered domestic partner or dependent children): This is a monthly payment equal to 60% of the amount that would have been awarded in a nonservice-connected disability retirement. Your surviving spouse or eligible domestic partner may also elect to receive a monthly amount for life of 60% of the retirement allowance to which the member would have been entitled had he/she retired on the day of his/her death. If the member was below qualifying age at the time of death, the surviving spouse or registered domestic partner may elect to leave the member's accumulated contributions on deposit until such time as the member would have attained the qualifying age had he/she lived, at which time the spouse or domestic partner may exercise the option above (this last option is only available if member had at least ten years of retirement service credit).
- **Modified Optional Death Allowance** (available only to your eligible spouse or registered domestic partner): This is a lump-sum payment of one month's compensation for each year of your credited service, up to a maximum of six months' compensation, plus a reduced monthly benefit that will depend on the age of the beneficiary.

- **Death Benefit:** This is a lump-sum payment of one month's compensation for each year of your credited service, up to a maximum of six months' compensation, plus any contributions you made plus interest.

### **Service-Related Death Benefit**

A service-related death is one that results from a service-connected injury or disease that arises from your employment with a participating employer. If your death is service-related your surviving spouse or registered domestic partner could receive 100% of what would have been paid in a service-connected disability. In other words, this would be a lifetime monthly allowance equal to 50% of your active final monthly compensation.

### **Additional Benefits for Safety Members**

If you are a Safety member and you die while in the performance of duty and your death was due to extreme force or violence, your spouse would receive an additional lump-sum payment equal to one year's compensation. If you have minor children, your spouse would receive an additional monthly benefit as follows:

- One child—25% of the amount you would receive from the benefit amount calculated under Government Code Section 31787, up to when the child marries or reaches age 18.
- Two children—40% of the amount you would receive from the benefit amount calculated under Government Code Section 31787, up to when each child marries or reaches age 18.
- Three or more children—50% of the amount you would receive from the benefit amount calculated under Government Code Section 31787, up to when each child marries or reaches age 18.

If you do not leave a surviving spouse when you die but you do leave surviving unmarried children under age 18, a legally-appointed guardian of the children shall make an election for all death benefits. The court must appoint a legal guardian, even if a biological parent exists.

MCERA staff will explain the options to your beneficiaries once it receives notification of your death.

### **Death Benefits after Retirement**

Regardless of which payment option you selected, a lump-sum burial allowance of \$3,000 will be paid to your beneficiary or estate upon your death, even if your original beneficiary predeceases you. If you were a retiree with reciprocity, only one such allowance is payable, and it will be paid by the retirement system you were with last as an active member. Check with the reciprocal system to verify the lump-sum burial allowance amount that it will pay.

Your post-retirement death benefits depend on which payment option you chose and whom you designated as beneficiary for continuance of your retirement allowance:

### **Unmodified Option**

- If you designated your eligible spouse/domestic partner as beneficiary, he or she will receive a lifetime monthly continuance that is 60% of the allowance you were receiving (or 100%, if you retired with a service-connected disability). When your spouse/domestic partner dies, payments will stop and no further benefits will be paid.
  - For your spouse/domestic partner to be eligible you must have been married or in a registered domestic partnership for at least one year before you retired.
- If you designated your unmarried minor children as beneficiaries, they may receive a monthly continuance that is 60% of the allowance you were receiving, divided among them (100% if you retired for a service-connected disability).
  - Your children will remain eligible until they marry or reach age 18 (or age 22 if they remain unmarried and enrolled as full-time students in an accredited school). When they cease to be eligible, payments will stop and no further benefits will be paid.
- If your beneficiary pre-deceases you your survivor will only receive contributions that are left on deposit, if any remain.
- If you designated someone other than a spouse, domestic partner or minor child as your beneficiary he/she will only receive any contributions that remain on deposit, if any remain.

### **Option 1**

- Any unused member contributions will be paid to your beneficiary in a lump-sum upon your death. No further benefits will be paid.
- You may change your beneficiary at any time if you have elected this option.

### **Option 2**

- Your beneficiary will receive 100% of the allowance you were receiving for his or her lifetime. When your beneficiary dies, payments will stop and no further benefits will be paid.
- If your beneficiary predeceases you no further payments will be made and if there are contributions on deposit they will be transferred to the pension reserve fund upon your death.

### **Option 3**

- Your beneficiary will receive 50% of the allowance you were receiving for his or her lifetime. When your beneficiary dies, payments will stop and no further benefits will be paid.
- If your beneficiary predeceases you no further payments will be made and if there are contributions on deposit they will be transferred to the pension reserve fund upon your death.

#### **Option 4**

- Your beneficiary will receive the percent specified of the allowance you were receiving for his/her or their lifetime. When your beneficiary (ies) dies, payments will stop and no further benefits will be paid.
- If your beneficiary predeceases you no further payments will be made and if there are contributions on deposit they will be transferred to the pension reserve fund upon your death.

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NOTE: Even if your original beneficiary predeceases you please keep an updated beneficiary on file always since the lump sum death benefit (if eligible) will still need to be paid and there may be contributions on deposit to return depending on the option you selected or a pro-rated pension payment owed.

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