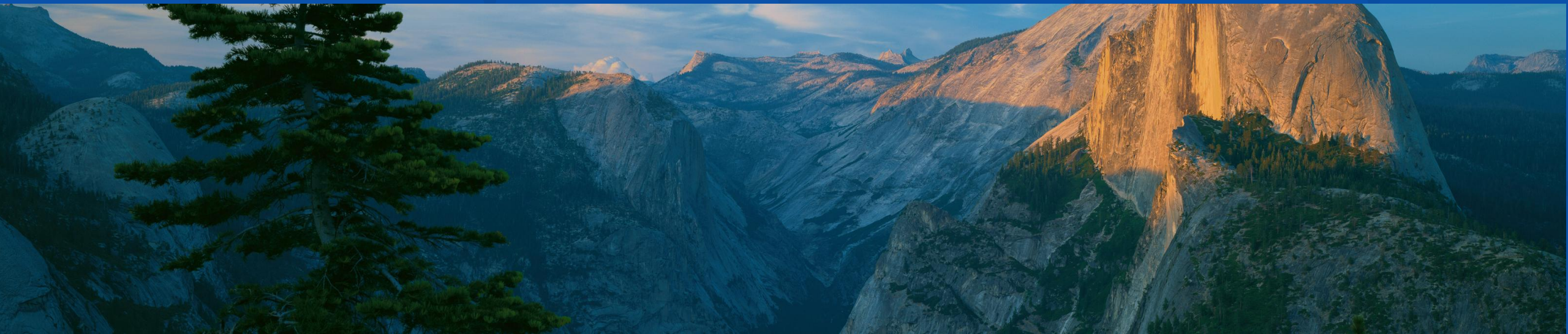
MERCED CERA

Merced County Employees' Retirement Association

Death – Pre and Post Retirement



AGENDA

- Key Factors that Affect Death Benefits
- Beneficiaries and Survivors
- Who is Eligible to Receive a Benefit
- Pre-Retirement Death Benefits
- Death After Retirement
- How to Protect Your Beneficiaries
- What Should You Do Today

KEY FACTORS THAT AFFECT THE BENEFIT

MERCEDCERA CONSIDERS THREE MAIN FACTORS:

- Vesting – At least 5 years of service credit.
- Cause of Death – **Work-related deaths may qualify for higher benefits.
- Eligible Recipients – Benefits depend on legal survivor eligibility and beneficiary designations

BENEFICIARIES AND SURVIVORS

Beneficiary

- The person or entity you name to receive a lump-sum death benefit

Eligible Survivor

- A person (spouse, domestic partner, minor child) who may qualify to receive a monthly continuance benefit

- When you were hired, you designated a beneficiary on your Enrollment Card. Depending on life changes since then, you may need to update your beneficiary information using MercedCERA' s Beneficiary Designation Form.
- The most recently received designation form will replace any previous forms.
- Something to remember: Even if you did not designate your current spouse or registered domestic partner as your primary beneficiary, California law requires MercedCERA to give priority to that person when paying certain retirement benefits.

WHO IS ELIGIBLE TO RECEIVE THE BENEFIT

Different rules apply depending on the benefit type, but generally:

- Eligible survivor: Spouse, domestic partner, or eligible minor children have priority over named beneficiaries in most cases.
- Named Beneficiary: Receives lump sum benefits when no eligible survivor takes priority.
- Estate: May receive lump-sum benefits if no eligible survivor or valid beneficiary exists.

**Important: Naming a beneficiary does not automatically entitle that person to monthly survivor benefits. California law establishes the priority for determining who receives applicable benefits.

PRE-RETIREMENT SURVIVOR BENEFITS

MercedCERA offers three main types of pre-retirement death benefits:

- Basic Death Benefit
    - Paid if you were not vested
    - Includes a refund of your contributions plus an additional lump sum equal to one month of salary for each year of MercedCERA service, up to six months' salary.
- Alternative Death Benefit
    - Paid if you were vested but your death was not work-related
    - Provides your eligible survivor with a monthly continuance benefit and a limited lump-sum payment
- Service-Connected Death Benefit
    - Paid if your death was caused by your job
    - Provides your eligible survivor with a monthly continuance benefit and a limited lump-sum payment
    - Additional benefit may apply for Safety members who suffer a work-related death.

BASIC DEATH BENEFIT

Who qualifies? Generally, a non-vested member whose death is not work-related.

The benefit includes:

- A refund of member contributions plus interest.
- An additional lump sum equal to one month of salary for each year of MercedCERA service, up to six months' salary.

**This is a one-time payment, not a monthly survivor benefit.

**If you are not working for an MercedCERA employer but have not retired when you pass, your beneficiary is eligible to receive all the contributions and interest you have on deposit with MercedCERA.

ALTERNATIVE DEATH BENEFIT

Who qualifies? A vested member whose death is not work-related.

Eligible survivors may have the following options, subject to applicable rules:

- **Option A – Lifetime Continuance:** Monthly payments equal to 60% of the non-service-connected disability retirement benefit that the member would have received as of the date of death.
- **Option B – Combined Benefit:** A lump-sum payment equal to one month's salary for each year of MercedCERA service, up to a maximum of six months' salary, plus a monthly benefit calculated using the member's formula. The monthly benefit is reduced by the actuarial equivalent of the lump-sum payment and is based on the age of the spouse/partner.
- **Option C – Lump Sum:** Member contributions and interest, plus up to six months' salary.

**Monthly benefits are payable to eligible survivors, not simply to anyone named as a beneficiary.

SERVICE-CONNECTED DEATH BENEFIT

- **Who qualifies?** Eligible survivors of a member whose death is determined to result from a work-related illness or injury.
- Monthly benefits equal to 100% of the service-connected disability retirement benefit the member would have received as of date of death.
- Payments generally continue for the eligible survivor's lifetime.
- Eligible Safety members who die in the line of duty may qualify for an additional lump sum equal to one year's salary.
- Eligible minor children may qualify for additional benefits.

**Important: MercedCERA must review the medical and employment evidence, and the Board of Retirement must approve the service-connected determination.

DEATH AFTER RETIREMENT

Survivor Continuance

This will be dependent on the option the retiree selected at the time of retirement.

Verification of the survivor's relationship and eligibility will be confirmed through the members records.

Burial Allowance After Retirement

MercedCERA provides a one-time burial allowance of $3,000 upon the death of a retired member.

However, if the member is a Reciprocal Member and the final retirement system is a system other than MercedCERA, we will not pay this amount.

**Important: Not every beneficiary qualifies for a monthly survivor benefit. Please contact MercedCERA to go over the retirement options/continuances offered.
**The burial allowance is taxable.

How to Protect your Beneficiaries

MercedCERA members should:

- Review current beneficiary information.
- Update beneficiary information after marriage, divorce, or the birth of a child.
- Understand the difference between a beneficiary and an eligible survivor.
- Consider naming a custodian when a minor is a beneficiary.
  Inform loved ones about their MercedCERA membership and important documents.

Remember: Eligible monthly survivor benefits are determined by law, not solely by your beneficiary designation.

WHAT FAMILIES SHOULD DO AFTER A MEMBER'S DEATH

- Gather documents. MercedCERA may request:
  - Certified death certificate
  - Marriage or domestic partnership records
  - Children's birth certificates
  - Government-issued identification
  - Estate documentation

- **Submit required documents -** Use MercedCERAs' secure file upload process or an approved alternative.
- **Await the benefit determination -** MercedCERA reviews eligibility, determines the applicable benefit, and contacts eligible recipients with instructions.
- **Processing Time -** Monthly survivor benefits generally begin within **45 days** after MercedCERA receives all required documentation, when applicable.
- Lump-sum payments may be processed more quickly.
- Service-connected claims may take longer because they require formal review.

KEY TAKEAWAYS

- Your vesting status.
- Eligible survivors and named beneficiaries have different rights.
- Keeping beneficiary records updated can help avoid delays and confusion.
- Families should notify MercedCERA promptly and provide all required documents.
- **Final message:** Planning ahead today can help provide financial protection and peace of mind for your loved ones tomorrow.

QUESTIONS?

Thank you.

