



BENEFITS FOR SURVIVORS OF RETIREES

Review your beneficiary(ies)

When you retired, you designated a person or persons to receive your annuity, retiree lump sum death benefit, and life insurance benefits. You may change your beneficiaries at any time by signing in to your account or by calling ERS. If you request a beneficiary change, ERS will send you a form with your changes. You must sign the beneficiary designation change form, have it witnessed by someone who is NOT the designated beneficiary, and return the completed form to ERS. The beneficiary change is NOT valid until the completed form is returned and approved by ERS. You will receive written confirmation of your beneficiary designation change(s) when they are approved.

After divorce – ERS is not permitted to honor original life insurance or retiree lump sum death benefits beneficiary designations of a spouse after a divorce has occurred. If your spouse is a beneficiary for your life insurance and/or retiree lump sum death benefits, you should designate a new beneficiary for these benefits after a divorce. If a new beneficiary is not designated, the benefits may be payable to the alternate beneficiary or your Estate. You may rename your ex-spouse as beneficiary after the divorce, specifically listing him or her as “ex-spouse” by signing into your account or by calling ERS. A beneficiary designation of an ex-spouse after a divorce is considered valid and the ex-spouse may receive the benefits.

KNOW ERS' BENEFITS FOR YOUR SURVIVORS

As a retiree, your spouse or dependents may be entitled to certain benefits upon your death. These benefits may include:

- **Health & Dental Coverage**
- **Life Insurance Benefits**
- **TexasSaver 401(k) and 457 Plans**
- **Lump Sum Death Benefit (\$5,000)**
- **Annuity**

To ensure your survivors receive their benefits in a timely manner, use the following checklist:

- ✓ Confirm or change your beneficiaries.
- ✓ Provide ERS with valid Social Security numbers, addresses, and dates of birth for all your beneficiaries.
- ✓ Confirm or change your TexaSaver beneficiaries.
- ✓ Inform your survivors that upon your death, they should contact ERS. ERS will contact the designated beneficiaries with the information they need to claim their annuity, life insurance, and/or retiree lump sum death benefits.
- ✓ Inform your survivors that upon your death, they should contact TexaSaver. ERS will contact the designated beneficiaries with the information they need to claim their benefits.

HEALTH AND DENTAL COVERAGE

(Available to state agency and higher education retirees)

As a retiree, if you, your spouse and dependents are enrolled in the state insurance program when you die, your spouse and covered dependents may continue with the same health and dental coverage they were enrolled in on the date of your death, subject to any residency require-

ment. Spouse/dependent coverage starts the first day of the month following the retiree's death.

They must pay 100% of the monthly insurance premium to continue coverage. It is due the first of each month. Once their coverage is canceled, it cannot be reinstated. Your surviving spouse may continue coverage for life as long as the monthly premium is paid to ERS through deductions from your continuing annuity or by payment directly to ERS. Your surviving children may continue health and dental coverage as surviving dependents only as long as they continue to meet eligibility requirements and pay the monthly premiums. **Your spouse and surviving dependents will have an annual opportunity to make enrollment changes.**

LIFE INSURANCE BENEFITS

(Available to state agency and higher education retirees)

Basic Term Life – As a retiree, if you are enrolled in health insurance at the time of your death, you are covered by the State's Basic Term Life coverage of \$2,500. This means that upon your death, your beneficiary will receive \$2,500. This coverage is provided at no cost to you.

Optional Term Life – Optional Term Life coverage provides an additional life insurance policy. Upon your death, your beneficiary receives a one-time benefit payment. This benefit depends on your age and the coverage purchased. As an active employee, you had four options – one, two, three, or four times your annual salary.

These are also called Election 1, 2, 3, and 4. The one-time benefit depends on the election; however, the maximum benefit

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is \$400,000. If you have Election 3 or 4 on the day you retire, the coverage will change to Election 2.

If you have Election 1 or 2 on the day you retire, you may keep this level of coverage. If you do not have Optional Term Life at retirement, you can apply with proof of good health, called evidence of insurability (EOI), for a \$10,000 policy within the first 30 days after retirement or during Annual Enrollment. Benefits begin decreasing after age 70 for Election 1 and 2, but not for the \$10,000 policy.

Dependent Term Life Insurance – Your surviving spouse may convert Dependent Term Life Insurance coverage into an individual life insurance policy without EOI during the first 31 days after your death. The premium for an individual life insurance policy will be higher than your spouse’s Dependent Term Life Insurance, and the policy won’t include the Accelerated Life Benefit. To convert a policy, call Minnesota Life Insurance Company toll-free at (877) 494-1716.

TEXAS\$AVER PROGRAM*

If you participate in the TexaSaver Program, you must submit a TexaSaver beneficiary form designating who should receive your TexaSaver 401(k) or 457 account funds in the event of your death. If you name more than one primary beneficiary, each will receive an equal amount unless you specify differently. Beneficiary designation forms for the 401(k) and 457 Plans are available at www.texasaver.com or call Great-West at (800) 634-5091.

**State agency employees can enroll in either or both of the TexaSaver 401(k) and 457 Plans. Employees of four-year higher education institutions can enroll in the 457 Plan. Community college employees can enroll in the 457 Plan if their college offers it. TexaSaver is not available to Community Supervision & Corrections Department (CSCD) employees, Windham School District employees, and the employees of the Texas County and District Retirement System (TCDRS) and the Texas Municipal Retirement System (TMRS). As a retiree, you may no longer contribute to your TexaSaver account, but you may change how you invest your account money at any time.*

LUMP SUM DEATH BENEFIT

(Available to retirees of state agencies, regardless of whether they qualify for state-paid health insurance in retirement)

If you die after you retire from state employment, a Lump Sum Death Benefit in the amount of \$5,000 is paid to your designated beneficiary or estate. The Lump Sum Death Benefit is at no cost to you and is in addition to any life insurance or other survivor benefit you carry.

If at the time of your death you are in the Proportionate Retirement Program with less than five years service credit from ERS, the payment will be reduced accordingly.

RETIREMENT ANNUITY

(Available to state agency retirees only)

The annuity benefit available to your beneficiary depends on the annuity option you chose at retirement and the age of your beneficiary. Options 1, 2, and 5 provide lifetime survivor benefits to your beneficiary after your death. If you chose the standard annuity, there are no lifetime survivor benefits. See box below.

CHANGING YOUR BENEFICIARY FOR YOUR ANNUITY —

If you named your spouse as the beneficiary of your annuity and you now want to change your beneficiary, contact ERS for information. If you originally named someone other than your spouse under Option 1, 2 or 5, you may revoke your beneficiary designation by notifying ERS in writing. You may change your beneficiary only one time, or you could choose not to name a new beneficiary and your annuity would increase to the standard annuity amount for the rest of your life. If you chose Option 3 or 4, you may change your beneficiary anytime after retirement.

Monthly Retirement Annuity Options		
Option	Retiree Payment	Survivor Payment
Standard annuity	This is the highest monthly payment paid to you for life.	No monthly survivor payment. If there is money left in your account after your death, your survivor receives a one-time refund payment of your retirement account balance..
Survivor Payment Options		
These options lower your annuity, but continue to pay your beneficiary after you die.		
Option 1	This is a lower monthly payment paid to you for life.	After your death, your survivor gets 100% of your monthly payment for life.
Option 2	This is a lower monthly payment paid to you for life.	After your death, your survivor gets 50% of your monthly payment for life.
Option 3	This is a lower monthly payment paid to you for life.	If you die before you get 60 monthly payments, your survivor gets the rest of the 60 monthly payments. Then the monthly payment stops.
Option 4	This is a lower monthly payment paid to you for life.	If you die before you get 120 monthly payments, your survivor gets the rest of the 120 monthly payments. Then the monthly payment stops.
Option 5	This is a lower monthly payment paid to you for life.	After your death, your survivor gets 75% of your monthly payment for life.