




Retirement Benefits Training

Death claims
Fiscal year 2021

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Topics

- Types of death claims.
 - Active member.
 - Inactive member.
 - Working and non-working retired members.
- Types of death claim payments.
 - Refund of contributions or monthly survivor annuity.
 - Incidental death benefit.
 - Accidental Death Benefit program.
- State ORP benefits.
- Beneficiaries.

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How PEBA receives member death notifications

- Employers.
- Family, friends of the deceased.
- Social Security Administration (SSA).
- South Carolina Department of Health and Environmental Control (DHEC).
- Obituaries.
- Funeral homes.

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Required actions after a death

- Employer:
 - Complete *Final Payroll Certification – Death* task on the Task List in EES.
- Beneficiary:
 - Provide PEBA with certified copy of the member’s death certificate.
 - Return completed benefit payment forms.

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Types of death claims

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Active member

- Deceased employee was:
 - On covered employer’s payroll; and
 - Making contributions.
- Beneficiaries may be eligible for:
 - Refund of member contributions and interest;
 - Monthly survivor benefit payment;
 - Incidental death benefit payment; and
 - Accidental Death Program benefit (PORS only).

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Inactive member

- Deceased employee was:
 - No longer active member; and
 - Not retired on date of death.
- Beneficiaries may be eligible for:
 - Refund of member contributions and interest; or
 - Monthly benefit payment in some cases.
- Monthly benefit payment possible if member was eligible for service retirement at time of death.

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Working retiree member

- Working retiree was:
 - On covered employer's payroll; and
 - Making contributions.
- Beneficiaries of working retiree may be eligible for:
 - Payment according to retiree's payment option; and
 - Active incidental death benefit.

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Non-working retired member

- Beneficiaries of a retiree who was not in service with a participating employer at death may be eligible for:
 - Payment according to retiree's payment option; and
 - Retired member incidental death benefit.

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Types of death claim payments

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Refund of contributions

- SCRS: refund of employee contributions plus interest.
- PORS: greater of two amounts:
 - Refund of employee contributions plus interest; or
 - \$1,000 (in-service deaths only).
- Payable if balance not exhausted through benefit payments to member.
- Amount not impacted by:
 - Member's age; or
 - Service credit.

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Monthly survivor benefit for active member in-service deaths

	Member's earned service credit	Member's total service credit or age
Class Two	5+ years	<ul style="list-style-type: none"> • 15+ years of service credit; or • Age 60 (SCRS) or age 55 (PORS).
Class Three	8+ years	<ul style="list-style-type: none"> • 15+ years of service credit; or • Age 60 (SCRS) or age 55 (PORS).

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Incidental death benefit

- Coverage required for:
 - State agencies;
 - Public higher education institutions; and
 - Public school districts.
- Optional employers may choose to offer benefit, but may not revoke benefit once added.
- Employer pays for coverage to offer incidental death benefit.

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Active member incidental death benefit

- Payment equal to current annual salary.
- Generally requires one year of earned service unless death results from job-related injury.
- To be eligible, death cannot be more than 90 days after last earning compensation in regular pay status.

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Incidental death benefit eligibility for retired members

- May be available for SCRS, PORS retirees.
- Must have coverage from:
 - Last employer (non-working retirees); or
 - Current employer (working retirees).

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Working retired member incidental death benefit

- Payment equal to larger of:
 - Current annual salary; or
 - Non-working incidental death benefit.
- To be eligible for the current annual salary benefit, death cannot be more than 90 days after last earning compensation in regular pay status.

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Non-working retired member incidental death benefit

Immediately prior to retirement, employer must have provided coverage for beneficiary to receive benefit.

SCRS years of service credit	PORS years of service credit	Incidental death benefit payment
10 to 19 years	10 to 19 years	\$2,000
20 to 27 years	Class Two: 20 to 24 years Class Three: 20 to 26 years	\$4,000
28 or more years	Class Two: 25+ years Class Three: 27+ years	\$6,000

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Members not eligible for incidental death benefit

- Incidental death benefit not available to:
 - Non-active State ORP participants;
 - Inactive members; and
 - Members whose employer does not offer coverage.

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Incidental death benefit taxes

- Benefit subject to federal, state income taxes.
- Automatic 20 percent withholding for federal taxes.
- Beneficiary must request state taxes be withheld.

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Accidental Death Program

- Available only for PORS.
- Coverage required for:
 - State agencies;
 - Public higher education institutions; and
 - Public school districts.
- Optional employers may choose to offer benefit, but may not revoke benefit once added.
- Employer pays for coverage.

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Accidental Death Program benefit

- Provides survivor monthly benefit if covered member's death occurs while:
 - Performing a hazard specific to employment;
 - In actual performance of duty; and
 - Without willful negligence on member's part.

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Who receives Accidental Death Program benefit

- If member is married:
 - Spouse receives lifetime monthly benefit.
- If member has no spouse, or spouse dies before youngest child turns 18:
 - Monthly benefit is divided equally among surviving children until each child turns 18 or death, whichever occurs first.
- If member has no spouse or child under age 18:
 - Monthly benefit paid to surviving mother and/or father for life.

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Retired member payment options

- Option A: beneficiary receives refund of remaining contributions.
- Option B: beneficiary receives same reduced lifetime monthly payment amount retiree received before death.
- Option C: beneficiary receives half of reduced lifetime monthly payment amount retiree received before death.

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State ORP benefits

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State ORP benefits

- Active member incidental death benefit.
 - Payment equal to current annual salary.
 - Generally requires one year of earned service unless death results from job-related injury.
 - To be eligible, death cannot be more than 90 days after last earning compensation in regular pay status.
- State ORP account balance.
 - Death claims must be filed with the deceased member's State ORP service provider.

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Beneficiaries

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Choosing payment option

- PEBA mails *Election of Death Benefits* (Form 4151) to the beneficiary after receiving all documentation to process death claim.
- If multiple beneficiaries:
 - All must choose same payment option on Form 4151.
 - Payment divided equally.
- Monthly survivor benefits from defined benefit plans cannot be paid to estate.

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Estates and benefit payments

- Trustee of estate receives:
 - A refund of contributions plus interest (defined benefit plans); and
 - Any incidental death benefit payment, if applicable.
- Trustee must submit one of following¹:
 - *Certificate of Appointment for the Personal Representative*; or
 - *Affidavit for Collection of Personal Property* for estates of less than \$25,000.
- Estate cannot receive monthly benefit payments from defined benefit plans.

¹ Documents available through Probate Court.

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