




# Death claims: types of death claim payments

Retirement Benefits Training  
Fiscal year 2023

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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 (retiree deaths only).
- Amount not impacted by:
  - Member's age; or
  - Service credit.

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### Monthly survivor benefit eligibility 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"> <li>• 15+ years of service credit; or</li> <li>• Age 60 (SCRS) or age 55 (PORS).</li> </ul> |
| Class Three | 8+ years                       | <ul style="list-style-type: none"> <li>• 15+ years of service credit; or</li> <li>• Age 60 (SCRS) or age 55 (PORS).</li> </ul> |

- The monthly annuity, if selected, is paid in lieu of the refund of contributions plus interest.

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### Incidental death benefit

- Employer pays for coverage to offer incidental death benefit.
- Coverage required for:
  - State agencies;
  - Public higher education institutions; and
  - Public school districts.
- Optional employers and charter schools that participate in retirement may choose to offer benefit but may not revoke benefit once added.
- Not available to inactive members and members whose employer does not offer coverage.

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### Active member incidental death benefit

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

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### Working retired member 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.
- Payment equal to larger of:
  - Annual earnable compensation; or
  - Non-working incidental death benefit.

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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<br>Class Three: 20 to 26 years | \$4,000                          |
| 28+ years                    | Class Two: 25+ years<br>Class Three: 27+ years           | \$6,000                          |

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### Incidental death benefit taxes

- Benefit subject to federal, state income taxes.
- Mandatory 20% federal tax withholding on amounts not rolled over to another qualified plan. Amounts not eligible for rollover default to 10% federal tax withholding.
- The federal tax withholding for estate payments is 10%.
- Beneficiary must request state taxes be withheld.

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### Accidental Death Program

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