

Who gets your benefits after you pass away?

When you retired, you named someone (or possibly more than one person) to receive your monthly retirement payment, retiree lump sum death benefit (LSDB), and life insurance benefits. These people are your beneficiaries. You can change your LSDB and life insurance beneficiaries at any time by signing in to your online account at www.ers.texas.gov, or by calling ERS at (877) 275-4377, or 7-1-1 TTY. We will then send you forms that you must sign and have witnessed by someone who is NOT the designated beneficiary, and is not related to you. Once you return the completed form(s) to ERS, we'll mail or email you confirmation that we've updated your account. The beneficiary change is NOT valid until ERS receives and approves the completed form(s).

After divorce

ERS cannot honor original life insurance or LSDB beneficiary designations of a spouse after you get a divorce. If you get divorced and your spouse was listed as a beneficiary for your life insurance and/or LSDB, you will need to submit new beneficiary forms. If you don't name a new beneficiary, then ERS may pay your death benefits to an alternate beneficiary, your estate or appropriate heirs. If you still want your former spouse to receive your benefits when you pass away, you can re-designate your ex-spouse as a beneficiary after the divorce. If your divorce decree states you must name a specific person as your retirement and/or life insurance beneficiary, you must complete new beneficiary forms.

Know your ERS benefits

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

- **health and dental coverage,**
- **life insurance benefits,**
- **Texa\$averSM 401(k) and 457 accounts,**
- **Retiree Lump Sum Death Benefit (\$5,000), and**
- **a monthly payment.**

To make sure your survivors get their benefits in a timely manner, use the following checklist:

- Confirm or change your beneficiaries.
- Provide ERS with the names, Social Security numbers, addresses, and dates of birth of all your beneficiaries.
- Confirm or change your Texa\$aver beneficiaries through Empower Retirement.
- Tell your beneficiaries that when you die, they should contact ERS. ERS will contact the beneficiaries with the information they need to claim their eligible death benefits.
- Tell your beneficiaries that when you die, they should contact Empower Retirement, if you had a Texa\$aver account.
- Talk to your family and beneficiaries about your death benefits.
- If divorced, update your beneficiaries.

Health and dental coverage

(Available to state agency and higher education retirees)

As a retiree, if you, your spouse, and your dependents are enrolled in the Texas Employees Group Benefits Program (GBP) when you die, your spouse and/or covered dependents may continue with the same health and dental coverage they were enrolled in on the date of your death. Your spouse and/or dependents would be responsible for paying survivor insurance premium payments.

A spouse or dependent must pay 100% of the monthly insurance premium to continue coverage. It is due on the first of each month. Spouse/dependent coverage starts the first day of the month following your death. If they waive survivor coverage, ERS can't reinstate it. Your surviving spouse may continue coverage for life as long as the monthly premium is paid to ERS through deductions from your continuing monthly payment, or by direct payment to ERS. Your surviving eligible dependents may continue health and dental coverage as surviving dependents as long as they continue to meet dependent eligibility requirements and pay the monthly premiums. Your survivors will have an annual opportunity to make benefit changes. If they are eligible for Medicare, they can switch health plans at any time. To ensure there is no break in coverage, your spouse and/or your covered dependents must pay the insurance premium to ERS within the first 90 days after the date of death.

Insurance premiums are subject to change.

Insurance benefits can change based on available state funding.

Life insurance benefits

(Available to state agency and higher education retirees)

Basic Term Life

If you are enrolled in GBP health insurance at the time of your death, you are covered by Retiree Basic Term Life coverage of \$2,500. This means that when you die, your beneficiary(ies) will receive \$2,500. This coverage is provided at no cost to you.

Optional Term Life Insurance

Optional Term Life Insurance provides an additional life insurance policy. This benefit depends on your age and the coverage purchased.

If you have Optional Term Life Insurance 1 or 2 on the day you retire, you may keep this level of coverage. If you do not have Optional Term Life Insurance at retirement, you can, with proof of good health, otherwise called evidence of insurability (EOI), apply for a \$10,000 Fixed Optional Life policy within the first 30 days after retirement, or during Annual Enrollment. Coverage begins to decrease after age 70 for Election 1 and 2, but not for the \$10,000 Fixed Optional Life policy. Upon your death, your beneficiary(ies) receives a one-time life insurance payment. Life insurance payments are non-taxable.

Dependent Term Life Insurance

Your surviving spouse may convert Dependent Term Life Insurance into an individual life insurance policy without EOI during the first 31 days following your death. The premium for an individual life insurance policy will be higher than the Dependent Term Life Insurance's and the policy won't include the Accelerated Life Benefit. To convert a policy, call Securian Financial Group, Inc. toll-free at (877) 494-1716. Only the surviving spouse is eligible to convert Dependent Term Life Insurance into an individual policy. The converted coverage amount cannot exceed the Dependent Term Life amount.

Retirement Annuity

(Available to state agency retirees only)

The monthly 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 your beneficiary dies before you, once ERS receives a copy of the death certificate, your monthly payment will increase to the standard option. Then when you die, all monthly payments will stop. If you chose the standard annuity, there are no lifetime survivor payments. Your beneficiary would receive the remaining funds in your account, if there are any. See box on the right.

Changing the beneficiary of your monthly payment

If you named your spouse as the beneficiary of your monthly payment, and you now want to change your beneficiary, contact ERS. If you originally named someone other than your spouse under Option 1, 2, or 5, you can request to revoke your beneficiary designation. Start the process by calling ERS. You may change your beneficiary only once. You could also choose not to name a new beneficiary and your annuity increases to the standard annuity amount for the rest of your life. Changing your retirement beneficiary is subject to approval by ERS. If you chose Option 3 or 4, you may change your beneficiary any time after retirement.

Monthly Retirement Annuity Options

Option	Retiree Payment	Survivor Payment
Standard annuity	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	Retiree Payment	Survivor Payment
Option 1*	A lower monthly payment paid to you for life.	After your death, your survivor gets 100% of your monthly payment for life.
Option 2*	A lower monthly payment paid to you for life.	After your death, your survivor gets 50% of your monthly payment for life.
Option 3	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	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*	A lower monthly payment paid to you for life.	After your death, your survivor gets 75% of your monthly payment for life.

*All payments will stop when your surviving beneficiary dies.

Texa\$aver Program*

TEXA\$AVERSM
401(k) / 457 Program

If you participate in the Texa\$aver Program, you must submit a

Texa\$aver beneficiary form designating who should receive your 401(k) or 457 account funds when you pass away.

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 by calling Empower Retirement at (800) 634-5091.

**As a retiree, you may no longer contribute to your Texa\$aver account, but you may change how you invest your account money at any time.*

Retiree Lump Sum Death Benefit (LSDB)

(Available to retirees of state agencies, regardless of whether they qualify for GBP coverage in retirement or not)

When you die after you retire from state employment, ERS pays an LSDB in the amount of \$5,000 to your beneficiary, estate or appropriate heirs. The LSDB doesn't cost you anything, and is in addition to any life insurance or other survivor benefits you carry. As a State of Texas retiree, your beneficiary is eligible for this taxable death benefit.

If you retired in the Proportionate Retirement Program with less than five years of service credit from ERS, the payment will be reduced based on your years of service.

