

Chapter Thirteen: Death Benefits

Application procedures

The person handling the deceased member's affairs must provide TRS with the members' name to report the death of a member. TRS will forward a letter and the appropriate forms to the contact person for the member's designated beneficiaries for completion. The application requires a copy of the member's death certificate as well as a copy of the marriage or civil union certificate and birth certificate for the surviving spouse or civil union partner.

If the member was an active teacher at the time of death, the employer will need to complete a Supplementary Report and return it to TRS. TRS will calculate a lump-sum and monthly benefit option.

The dependent will receive a Survivor Benefits Election form to select either a monthly benefit or a lump-sum payment. This form will be accompanied by information regarding direct deposit of payments, federal income tax withholding, the Teachers' Retirement Insurance Program (TRIP), and the taxability of survivor benefits. Once TRS receives the completed election form and all other required documents, benefits will be processed and then issued by the Office of the Comptroller.

An annuitant's retirement benefit is payable through the end of the month in which his or her death occurs. TRS issues payments at the end of the month for the preceding month. Any payments issued to the annuitant beyond the month of death must be returned to TRS.

Benefits payable

TRS provides two types of death benefits:

- a refund of any remaining accumulated contributions and
- monthly or lump-sum survivor benefits.

These benefits may be paid to separate beneficiaries or both benefits may be paid to the same beneficiaries.

TRS must have a copy of the deceased member's or annuitant's death certificate on file before death benefits can be processed. Other supporting documents may also be required.

Designation of beneficiaries

To designate beneficiaries, members must complete a Beneficiary Designation form. If TRS does not have a form on file for the member, death benefits are distributed as follows:

- a return of any accumulated contributions is paid to the member's surviving spouse or civil union partner or, if none, to the member's estate and
- survivor benefits are paid to an eligible dependent beneficiary or, if none, to the member's estate.

The beneficiaries designated for the refund of accumulated contributions and survivor benefits will be noted in the "Beneficiary Information" section of the member's TRS Benefits Report.



Members and annuitants may change beneficiary designations at any time and should review their designation periodically. Members may verify their beneficiary designations by visiting their secure member account online or by contacting TRS. To change beneficiaries, a new Beneficiary Designation form must be completed. Members may update their beneficiary designations by downloading their personalized forms within the secure member area of the TRS website. Part of their forms will be prefilled with information on file for them. If any members cannot access their online accounts, they should email members@trsill.org and provide their full names, last 4 digits of their Social Security numbers and full mailing addresses and TRS will mail the form to them to complete.

Types of beneficiaries

The type of benefit for which survivors are eligible is determined by the survivor's status at the time of the member's death. Monthly survivor benefits can be paid only to dependent beneficiaries.

A **dependent beneficiary** is

- a spouse to whom the member has been married for at least one year, except where a child is born of the marriage in which case the one-year period is not applicable;
- a civil union partner to whom the member has been partnered for at least one year;
- an unmarried natural or adopted child under age 18, or between ages 18 and 22 if he or she is a full-time student in an accredited educational institution, or an unmarried child of any age who is dependent by reason of a physical or mental disability and claimed as a dependent on the member's final federal income tax return, or
- a dependent parent who received at least half of his or her support from the member for the 12-month period immediately prior to the member's death.

For an adopted child to be an eligible dependent beneficiary, the adoption proceedings must have been finalized prior to the member's death and while the child was a minor. For purposes of determining dependency, "disability" is defined as an inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last for a continuous period of 12 months or more. A parent may be an eligible dependent beneficiary only if there is no other dependent beneficiary. A trust can receive monthly survivor benefits on behalf of a disabled dependent beneficiary. The trust must specifically mention TRS and contain a promise that the TRS survivor benefits will be used solely for the care and benefit of the dependent beneficiary. See the *TRS Member Guide* for more information.

A **nondependent beneficiary** is any other designated person or entity that is not a dependent beneficiary.

A member may designate a primary beneficiary on the Beneficiary Designation form to receive survivor benefits. If this individual is a dependent beneficiary, he or she may select either monthly benefits or a lump-sum benefit. Only a lump-sum benefit is payable if the member designates both a dependent and a nondependent primary beneficiary.

Alternate beneficiaries named on the Beneficiary Designation form will receive benefits only if all designated primary beneficiaries predecease the member. If the member's beneficiary



designation includes more than one person, the benefits are divided equally among the living beneficiaries of that class (primary or alternate).

Rollovers

If a member or survivor has questions about rollovers for surviving spouse and non-spouse beneficiaries, please ask him/her to contact the TRS Member Services Department at members@trsill.org or call 877-927-5877 (877-9-ASK-TRS). The rules are complicated and rollover eligibility varies.

How to obtain additional information

Members or beneficiaries may want to consult with a professional tax advisor before they take a payment of benefits from TRS. More specific information on tax treatment of payments from qualified retirement plans can be found in [IRS Publication 575, Pension and Annuity Income](#) and [IRS Publication 590-B, Distributions from Individual Retirement Arrangements \(IRAs\)](#). These publications are available at www.irs.gov, from local IRS offices, or by calling 1-800-TAX-FORM.

