

Death Benefit Information:

All members of the Teachers' Retirement System and the Board of Education Retirement System should think about their own mortality. In-service members have a very significant death benefit that is paid to their designated beneficiary(ies) or estates. Who is going to get this significant sum?

What are your wishes for medical treatment if you become terminally ill and no longer able to make important decisions?

In-service death benefit

The Tier I death benefit is equal to:

- ξ the amount of money in the deceased's Annuity Savings Fund (ASF);
- ξ the amount of money in the deceased's Increased Take-Home Pay (ITHP) account; and
- ξ a death benefit based on years of service. This benefit can be equal to one-half of a year's salary for members with fewer than 10 years of service; to one year's salary for members with 10 to 20 years of service; and to the entire pension reserve for a member who is eligible to retire but continues to work.

Most Tier II, III and IV members get a benefit equal to:

- ξ the money in their ASF —Tier II — or Member Contribution Accumulation Fund (MCAF) — Tier III/IV; and
- ξ a benefit equal to one year's salary upon completion of one year of service; two years' salary upon the completion of two years of service; three years' salary upon the completion of three or more years of service. At age 61, the size of the benefit begins to diminish by 5 percent per year but is never below 50 percent of three years' salary while the person is working.

As you can see, the death benefit is significant and should go directly to the person(s) listed on the TRS or BERS designation of beneficiary form. If no designation is listed, the money goes to the estate of the deceased and will have to be probated.

Even worse, as the headline in the Newsday March 20 issue screamed, "He's not the beneficiary after all." The husband of a deceased TRS member applied for the death benefit he thought due him from TRS after his wife passed away. Lo and behold, he discovered that his late wife had filed her designation form 30 years ago, before they knew each other, and she named her sister as beneficiary (not uncommon). His wife never changed the beneficiary form. TRS under law can only pay the considerable benefit to the sister.

We have been saying in this column and at meetings for years that you must have an up-to-date designation of beneficiary form on file at the TRS and at the UFT Welfare Fund. You should also check all other institutions where you may have the right to name a beneficiary. Every time there is a life altering event, the designation must be reviewed and changed if appropriate.

Each year in your Annual Benefits Statement (ABS), the TRS reports both the value of the death benefit and the name of your beneficiary(ies) for both the Qualified Pension Plan (QPP) and the tax-deferred annuity (TDA). You need a separate designation form for the QPP and TDA. Most people name the same people for both but it is not necessary to do so. *Please, please act on this so you do not cause problems for those you love.*

End of life wishes

Planning end-of-life care is difficult. Your decision to accept or reject medical procedures ultimately depends upon your personal wishes. The events we just witnessed in the tragic Terri Schiavo case point out clearly the need to make your health care wishes known so that they can be honored if and when you are unable to make decisions yourself. Preparing a few simple legal forms known as **Advance Directives** can help ensure that your wishes are respected and your health care stays in the hands of people you trust.

Advance directives include:

A Living Will — a document that contains your health care wishes and is addressed to unnamed family, friends, hospitals, caregivers, etc. You may use a Living Will to specify your wishes about life-prolonging procedures and other end-of-life care so that your specific instructions can be read by your caregivers when you are unable to communicate your wishes.

A Health Care Proxy — designation of a person named by you to make health care decisions on your behalf if you are no longer able to do so. You may give this person (your agent) authority to make decisions for you in all medical situations.

In summary

Advance directives work best when accompanied by discussions with your family and loved ones. You may also wish to speak with hospital representatives, your doctor or lawyer.

Advance directives can help you ensure your health care wishes are followed if you are unable to make decisions for yourself.

Advance directives can be canceled at any time, if you change your mind.

While thinking about this, you may want to help ensure your wishes regarding property, financial and other legal non-health care decisions on your behalf through a Power of Attorney. You may wish to discuss this with your attorney or, if you have none, call for information about NYSUT's legal services plan at 1-800-626-8101.

A very complete guide to planning for your health care in advance and how to make your end-of-life wishes known and honored is available from the New York Attorney General's web site at www.oag.state.ny.us. Select How to Make End-Of-Life Wishes Known and Honored under the Reports section.

Advance directives are not just for the elderly and chronically ill. Recent events show that health emergencies can strike at any age and at any time. Act now!

UNITED FEDERATION OF TEACHERS

52 BROADWAY
NEW YORK, NY 10004
TEL: 1-212-777-7500

WHAT TO DO WHEN A UFT MEMBER PASSES AWAY

- I. In addition, all UFT members have a decreasing term life insurance policy:

<u>AGE</u>	<u>AMOUNT</u>
Under 40	\$ 30,000
40-44	20,000
45-49	15,000
50-54	9,000
55-59	6,000
60-64	4,000
65-69	2,500
70 and over	1,600

RECEIVED
2003 OCT 21 P 2:59
UFT
BROOKLYN BORO OFFICE

The beneficiary should write to the UFT Welfare Fund and ask for a Death Benefit Notification Form:

UFT Welfare Fund
52 Broadway
New York, NY 10004
(212) 539-0500

Again, a certified copy of the death certificate should be enclosed with the filled out form.

- II. All members of New York State United Federation of Teachers (NYSUT) have a \$1,500 accidental death and dismemberment insurance policy. The beneficiary should send a note to the following address for a claim form:

NYSUT Member Benefits
800 Troy-Schenectady Road
Latham, NY 12110-2455

The beneficiary will also need to submit a certified copy of the death certificate to collect the benefit.

- III. Most members who are members of the Teachers' Retirement System have a death benefit as part of the pension system. According to our contract, a person who dies before becoming eligible for retirement is entitled to benefits. For an application to claim this benefit the beneficiary should write to:

Teachers' Retirement System
55 Water Street
New York, NY 10041
1-888-8NYCTRS (69-2877)

Board of Education Retirement System (BERS) members have a death benefit as part of their pension benefits. For an application to claim this benefit the beneficiary should write to:

Board of Education Retirement System
65 Court Street
Brooklyn, NY 11201

UNITED FEDERATION OF TEACHERS

52 BROADWAY
NEW YORK, NY 10004
TEL: 1•212•777•7500

WHAT TO DO WHEN A SPOUSE/DOMESTIC PARTNER DIES

I. Things You Should Have

- a. Collect all relevant papers and documents. This includes wills, insurance policies, annuities, deeds, statements of ownership, bills and loans.
- b. Originals or copies of death certificates are needed for most agencies you need to notify; e.g. NYC Teachers' Retirement System if your spouse was a beneficiary, Social Security, etc.

Then send an original death certificate to the Teachers' Retirement System:

NYC Teachers' Retirement System
55 Water Street
New York, NY 10041
1-888-8NYCTRS (69-2877)

II. Employee Benefits Program

If the spouse/domestic partner dies, contact the Employee Benefits Program immediately. Fill out an ERB form, which can be obtained by calling the number below, in order to drop your spouse/domestic partner from your health coverage, and send it to:

NYC Employee Benefits Program
40 Rector Street, 3rd Floor
New York, NY 10006
(212) 513-0470

III. SHIP

You should contact SHIP and receive refunds of balances of the Supplemental Health Insurance Plan (SHIP) premium. Write to:

SHIP
P.O. Box 333
Madison Square Station
New York, NY 10159
(212) 228-9060

UNITED FEDERATION OF TEACHERS

52 BROADWAY
NEW YORK, NY 10004
TEL: 1-212-777-7500

WHAT TO DO WHEN A RETIREE DIES

I. Things You Should Have

- a. Collect all relevant papers and documents. This includes wills, insurance policies, annuities, deeds, statements of ownership, bills and loans.
- b. Originals or copies of death certificates are needed for most agencies you need to notify; e.g. NYC Teachers' Retirement System, Social Security, etc.

II. Health and Welfare Coverage

The federal Consolidated Omnibus Budget Reduction Act – COBRA, Public Law 99-2721, Title X – requires the New York City Employee Benefits Program to offer the opportunity for a temporary extension of group health and welfare coverage. This continuation coverage pertains to ALL health benefits, including optional benefits and Welfare Fund benefits. The rates charged for continuation coverage are 102% of the group rates for a surviving spouse or dependent.

Under COBRA, the spouse or dependent child has the responsibility to notify the Employee Benefits Program and the UFT Welfare Fund within 60 days of the death of the retiree, divorce, legal separation, or a child losing dependent status. Notification should be sent by certified mail to:

NYC Employee Benefits Program
Attention: COBRA
40 Rector Street, 3rd Floor
New York, NY 10006
Phone (212) 513-0470

UFT Welfare Fund
Attention: COBRA
52 Broadway
New York, NY 10004
(212) 539-0500

III. Retirement Allowance

- a. Return the last check received after the death of the retiree.
The Retirement System will return to the beneficiary the pro-rated amount due for the days prior to the member's death.