

What to do after the death of a spouse / member

The death of a spouse/member is a traumatic event. Dealing with the event, your own feelings, and those of the family can result in overlooked details and additional confusion.

Prepared by NJEA Research & Economic Services, 8/13

CHECKLIST:

This checklist is designed to help you get through the details as easily as possible. The suggestions are general and should be adapted to your particular situation through conferences with family, legal and financial advisors.



1. Locate the family's important papers. Gather as many as possible, and continue to do so for the next few weeks.
2. Be aware that certain jointly held assets, such as safe deposit boxes and joint checking or savings accounts, may be frozen as soon as the institution involved becomes aware that one of the joint owners has died. Although such assets are intended to pass to the surviving spouse outside the normal probate process, actual possession may be delayed pending a court order releasing them. The order may depend on proving to inheritance or estate tax officials that the estate owns other assets adequate to pay potential estate or inheritance tax.
3. *Request multiple certified death certificates* (there may be a fee), which you'll need for the deceased's employer, life insurance companies, and legal procedures. We count five in this checklist alone!
4. Notify your attorney. Make an appointment to review your spouse's will and to discuss state and federal death taxes that may be payable.
5. Check with your attorney as to whether you require a release from the State Inheritance Tax office before pension or insurance benefits can be paid.
6. If a spouse/member was actively employed, or on a leave of absence and had not filed an application for retirement, contact the Board of Education. Notify them of the deceased's name, date of death, Social Security number, etc. The Board will process the Division of Pensions and Benefits paperwork for life insurance benefits and for the return of pension contributions. *Death certificate will be required.*
7. If a spouse/member had applied for retirement and death occurred prior to date of retirement, contact the Board of Education. Notify them of the date of death, deceased's name, Social Security number, etc. The Division of Pensions and Benefits will contact the beneficiary(ies) named on the application for retirement to select either pension benefits (retired) or full payment of life insurance and return of pension contributions (active). *Death certificate will be required.* This choice of status (ACTIVE or RETIRED) is guaranteed under Chapter 221.
8. If a spouse/member was retired and collecting a pension from the Division of Pensions and Benefits, contact:

Attn: Beneficiary Services
Division of Pensions and Benefits
PO Box 295
Trenton, New Jersey 08625-0295
(609) 292-7524

Provide deceased's name, date of death, Social Security number, Pension number (if possible), your name, address, and a telephone number where you can be reached. The Division of Pensions and Benefits will *require a death certificate* and will process the claim for any pension and life insurance benefits.
9. If a spouse/member was retired, and covered by the School Employee Health Benefits Program (SEHBP), be sure to request a retired change of status application.
10. If the deceased was enrolled in Medicare Part B, notify Social Security at 800-772-1213 and provide the same information as in numbers 6 and/or 7.
11. Notify life or accident insurers of the death. Give them the same information as in numbers 6 and/or 7, and ask what further details are needed to begin processing the claim. If spouse, ask which payment option had been elected, and select another option if you would so prefer. If there is no payment option, payment is made in a lump sum. If the spouse/member had NEA Group Life Insurance

plan, contact that office at 800-637-4636. If the deceased was actively employed, she/he should be eligible for the life insurance benefits. Contact 800-637-4636 for a claim form. In both cases, *you will need a certified death certificate.*

- 12. If death was due to an accident, and/or covered under NJEA endorsed Disability Insurance Program, contact Prudential at 800-727-3414.
- 13. If the deceased participated in a tax-sheltered annuity plan, contact the representative for that company. The NJEA local association or the Board of Education's business office should be able to provide the name of the representative, if necessary.

- 14. Notify Social Security office of the death. Claims may be expedited if you go in person to the nearest office to sign a claim for survivor benefits. Look for the address under U.S. Government in the phone book. *You will need a certified death certificate.*
- 15. If the spouse/member was ever in the military service, notify the Veterans' Administration. There may be death benefits.
- 16. Record in a small ledger all expenses related to estate and funeral matters. These figures will be needed for income tax purposes.
- 17. A financial planner or tax accountant may provide valuable advice/information on tax planning.

Following the death of a spouse:

After a few weeks, the paperwork will begin to diminish. Make any changes in ownership registration that may be necessary, focusing on the following items:

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| <input type="checkbox"/> Autos | <input type="checkbox"/> Investments |
| <input type="checkbox"/> Boats | <input type="checkbox"/> Residences |
| <input type="checkbox"/> Bonds | <input type="checkbox"/> Safe deposit boxes |
| <input type="checkbox"/> Charge accounts | <input type="checkbox"/> Stocks |

- Savings and checking accounts (you may wish to have a joint account with another member of your family);

You may wish to make a new will.

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Reporting the death of a retiree/beneficiary

Many retirees and beneficiaries inquire about the steps that should be taken to expedite the processing of the death benefits. Upon the death of a retired member or his or her beneficiary, the NJ Division of Pensions – Office of Client Services should be notified as soon as possible. Call 609-292-7524. The individual reporting the death should be able to provide:

- name of the deceased member
- retirement and/or social security number
- date of death
- name and address of the beneficiary(ies), if known
- name of the individual reporting the death and the relationship to the deceased.

When a member's death is reported, Beneficiary Services reviews the member's account to determine what benefits, if any, are due.

When a beneficiary's death is reported and Option A, B, C, or D is in effect, the member's retirement allowance will increase to the Maximum Option.

The member should send a *certified death certificate* with a note saying "please increase my pension to the maximum option" and include their name, address, phone number, and social security number.

The retiree or beneficiary will receive a letter quoting the benefits payable approximately four weeks from when the initial report of death was received. Enclosed with the letter are all the necessary claim forms. The claim is paid approximately four weeks from the date all completed forms and certificates are returned to the NJ Division of Pensions and Benefits.

The average processing times stated above apply only if there are no problems or delays obtaining the information needed to process the claim. Listed below are the requirements when filing a death claim:

- *A certified death certificate must be submitted. Copies of death certificates are not accepted.*

- Claims cannot be paid until all forms have been properly completed and received by the Division of Pensions and Benefits. These forms cannot be provided before the death.
- Pension checks sent to the deceased retiree after the date of death or any uncashed pension checks should be returned to the Division of Pensions and Benefits. The Division of Pensions and Benefits sincerely wishes to assist families and beneficiaries in the difficult task of settling a death claim. Here are some things you can do now to make settling your claim easier:
- Keep your group life insurance beneficiary designations up to date. Be sure to have your beneficiary's current address on file. Review your insurance beneficiaries each time you have a change in your family – be it a death, birth, adoption of a child, etc. Forms are available from your former employer or the Division of Pensions and Benefits at 609-292-7524 and the Division of Pensions and Benefits website at: <http://www.state.nj.us/treasury/pensions/>
- Keep your retirement system membership records together and organized. Make sure the people you are counting on to settle your affairs know where your records are kept.
- Keep this article with your records so your beneficiaries know what is expected of them.

Changes in death benefits for certain retirement systems – Effective Dec. 27, 1993

Chapter 335, P.L. 1993, effective Dec. 27, 1993, provides that the designated beneficiary of a deceased retired member or beneficiary of the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), State Police Retirement System (SPRS), or Judicial Retirement System (JRS) is entitled to the retirement allowance for the entire month in which the retiree dies. This law does not apply to the Prison Officers' Pension Fund (POPF) or the Consolidated Police and Firemen's Pension Fund (CPFPPF).

Although the beneficiary will be entitled to the retirement allowance of the month of death, he or she cannot cash the check since it is payable only to the retiree.

For retirees receiving a paper check (NOT direct deposit):

If the last check is not cashed, it should be returned to the Division of Pensions and Benefits, Beneficiary Services section.

If the last check is cashed in error, the beneficiary will be asked to reimburse the Division of Pension and Benefits. If reimbursement is not possible, other arrangements can be made.

The Division of Pensions and Benefits will reissue a check to the beneficiary for the correct amount.

For retirees whose check was directly deposited:

The Division of Pensions and Benefits will always request the return of all EFT or direct deposit checks issued after the member's date of death. (This is done through the bank or financial institution which accepts the retiree's direct deposit.)

The Division of Pensions and Benefits will reissue a check to the beneficiary for the correct amount.

Why is it important that the last check be returned to the Division of Pensions and Benefits? As a retiree, you may have deductions or additions to your retirement check which would not apply to your beneficiary. The Division of Pensions and Benefits must have the last check returned and re-deposited in order to issue the correct amount to your beneficiary.