

## Introduction

The Department of Employee Trust Funds administers three programs that may provide death benefits to your survivors:

- The Wisconsin Retirement System
- Group Life Insurance
- Group Health Insurance

In the event of your death, your survivors should contact ETF immediately because they may be eligible for benefits from one or more of these programs. ETF will send information about how to apply for any available death benefits to your beneficiary(ies).

The amount of WRS benefits payable to your beneficiaries depends on whether you die before you begin a retirement benefit or after.

Death benefits changed as a result of 1999 Wisconsin Act 11. If you are a beneficiary of a participant who died or terminated employment prior to January 1, 2000, contact ETF for death benefit information.

### **Before Retirement**

Provided you did not close your WRS account by taking a separation benefit, your beneficiaries are entitled to a benefit whether your death occurs while you are still working for a WRS employer (as an “active” member) or you have terminated all WRS employment but are not yet receiving a retirement benefit (“inactive” member).

Alternate payees are also considered inactive members under the WRS. Both active and inactive members receive updated death benefit information annually on their *Statement of Benefits* (ET-7365).

## Introduction, continued

**Active members:** The amount of your WRS death benefit depends on whether you have reached minimum retirement age (MRA), which is age 55 for most; age 50 for protective occupations.

- *If you are under MRA at the time of death:* Your beneficiaries will receive your employee- and employer-required contributions, additional contributions (if applicable) and accumulated interest.
- *If you are at or above MRA at the time of death:* The amount of the death benefit is determined using the calculations described below. Your beneficiaries will receive the highest amount of the two calculations. Your beneficiary(ies) *must be* one or more individual(s) **or** a trust in which one or more living individual(s) has a beneficiary interest.
  1. *Money Purchase Calculation:* The money purchase calculation is the total of your employee and employer required contributions, additional contributions (if applicable) and accumulated interest.
  2. *Special Death Benefit:* A “special death benefit” is calculated as though you retired on your date of death and selected a joint and survivor annuity option continued in full to your oldest beneficiary. This formula calculation may provide a greater death benefit if it is higher than your money purchase retirement calculation at the time of your death.

See the *Calculating Your Retirement Benefits (ET-4107)* brochure for additional information about benefit calculations.

**Inactive members:** Your beneficiaries will receive your employee-required contributions, additional contributions (if applicable) and accumulated interest. Employer-required contributions are generally not included.

## Introduction, continued

### After Retirement

If your death occurs after you began a WRS annuity, death benefits are determined by the annuity option you selected upon retirement. For detailed information about annuity options, see the *Choosing an Annuity Option (ET-4117)* brochure available at [etf.wi.gov](http://etf.wi.gov).

If you selected the *For Annuitant's Life Only* option, your annuity will be paid for as long as you live and will end upon your death. There are no death benefits due with this option.

The remaining annuity options, such as life annuities with a guaranteed number of payments or joint and survivor options, provide varying levels of death benefits.

In general, joint and survivor annuities provide better death benefit protection to a surviving spouse or domestic partner than the other annuity options.

If you selected an annuity with an accelerated payment option, the death benefit is impacted by when the accelerated payments began and which life annuity option you selected:

- If you die while receiving an accelerated payment option that began *before* July 1, 2008, the temporary accelerated portion of your annuity ends at death. Any death benefit available is based **only** on the after-age-62 portion of your annuity that may be payable to a beneficiary(ies) or named survivor.
- If you die while receiving an accelerated payment option that began *after* June 30, 2008, the temporary accelerated portion of your annuity is paid as a death benefit until you would have reached age 62. Any additional death benefits are based on the after-age-62 portion of your annuity that may be payable to a beneficiary(ies) or named survivor.

## Designating a Beneficiary

Death benefits are always paid according to the most recent, valid beneficiary designation on file with ETF prior to your death. If a beneficiary designation is not on file, death benefits will be paid according to statutory standard sequence. It is important that you periodically review your designation because **your beneficiary information does not automatically change when a significant life event occurs**, such as a marriage, divorce or birth.

Designation by letter is not acceptable. However, beneficiary designations may be changed or updated at any time by requesting a *Beneficiary Designation (ET-2320)* or a *Beneficiary Designation-Alternate (ET-2321)* form from ETF or by obtaining one of these forms online at [etf.wi.gov](http://etf.wi.gov). When ETF receives a new and valid beneficiary designation, it supersedes your previous designation.

**Joint and survivor annuities are the exception.** With these annuity options, the named survivor cannot be changed.

### **Standard Sequence Beneficiaries**

If you have not filed a valid beneficiary designation, death benefits are paid according to the statutory standard sequence shown below.

**Group 1.** Surviving spouse or domestic partner.

**Group 2.** Children (biological or legally adopted). If one of your children dies before you, that child's share is divided among your deceased child's children. The beneficiaries in Group 2 will include all of your marital and non-marital children (or grandchildren, when applicable) as long as any relevant paternity is established, regardless of whether your child's date of birth is before or after your date of death.

## **Designating a Beneficiary, continued**

**Group 3.** Grandchildren. If one of your grandchildren dies before you, that grandchild's share is divided among your deceased grandchild's children.

**Group 4.** Parent(s).

**Group 5.** Brother(s) and sister(s). If one of your siblings dies before you, that sibling's share is divided among your deceased sibling's children.

**Group 6.** If there are no survivors in Groups 1 through 5, any death benefits will be paid to your estate.

Payment will be made to the person(s) in the lowest numbered group that contains one or more living persons. Wills do *not* govern the payment of benefits from ETF. If your estate is the named beneficiary, payment will be made to, and distributed by, the estate.

### **Alternate Payees**

If you were awarded a portion of your former spouse or domestic partner's WRS account, you are entitled to name beneficiaries for any potential death benefits associated with your alternate payee account. For alternate payees who are already receiving a monthly annuity payment, death benefits are determined by the annuity option you originally selected.

If you are an alternate payee with more than one WRS account, you may name beneficiaries for each account by filing separate designations. Examples of multiple accounts include:

- An alternate payee account plus your own account as a covered WRS employee.
- An alternate payee account plus one or more accounts as a beneficiary.
- More than one alternate payee account.

## Designating a Beneficiary, continued

To designate a beneficiary(ies), you must complete and submit a Beneficiary Designation (ET-2320) or a Beneficiary Designation-Alternate (ET-2321) form with ETF. Contact ETF with any question you may have about designating beneficiaries.

# Contact ETF

**Visit us online at [etf.wi.gov](http://etf.wi.gov)**

Find Wisconsin Retirement System benefits information, forms and publications, benefit calculators, educational offerings, email and other online resources.

**Call us toll free at 1-877-533-5020 or  
608-266-3285 (local Madison)**

Benefit specialists are available by phone 7:00 a.m. to 5:00 p.m. (CST)  
Monday-Friday

Wisconsin Relay: 711

## **Write or Return Forms**

P.O. Box 7931  
Madison, WI 53707-7931

## **Visit by Appointment**

801 West Badger Road  
Madison, WI 53713  
7:45 a.m. to 4:30 p.m.

