

Membership Handbook



Louisiana State Employees' Retirement System
as of August 2011

Survivor Benefits for Regular Members

Hired on or After January 1, 2011 (La. R.S. 11:471.1)

As a Regular Member hired on or after January 1, 2011, survivor benefits may be payable at your death to your beneficiary(ies). If you die while in active state service or have at least 20 years of service, and are not retired, your spouse, minor children, and totally physically handicapped or mentally disabled children may be eligible to receive survivor benefits. If there is more than one surviving child, the surviving child portion is divided equally among all qualified children. Monthly benefits will become effective the day after death. Survivor benefits are also payable to minor child survivors of retired members or participants in the DROP program.

Monthly benefits will become effective the day after death. Survivor benefits are also payable to minor child survivors of retired members or participants in the DROP program.

LASERS should be notified immediately of a member's death. LASERS may require survivors to provide proof annually or at other times that they are still legally entitled to survivor benefits. Survivor benefits are not subject to Louisiana inheritance taxes.

Children Qualified to Receive a Survivor Benefit

In order for your child to qualify for survivor benefits, you must have at least five years of service credit. The child must qualify as a minor child or a totally physically handicapped or mentally disabled child.

A minor child is an unmarried child under age 18 or an unmarried full-time student under age 23. A full-time student must be enrolled in a high school, vocational-technical school, GED program, college, or university. Students must attend at least 80 percent of enrolled classes to remain eligible for benefits. Fulltime status must be certified at the beginning of the school semester by submitting Form MSD14, *Certification of Student Status*, and verified mid-way through the school semester by submitting Form MSD40, *Verification of Student Status* to LASERS. This form must be certified by a school or college official.

A totally physically handicapped or mentally disabled child must have met this criterion at the time of death of the member and they must be dependent upon the surviving spouse or other legal guardian.

The qualified surviving child must also meet one of the following criteria to be eligible for benefits:

- Child of a marriage of a member
- Biological child of a female member
- Child of a male member acknowledged under Louisiana law
- Legally adopted child of a member

LASERS will pay your qualified surviving children 50 percent of the benefit for a surviving spouse with children (even if there is no surviving spouse) for each child up to a maximum of two children (see the section below on Children and Spouse Qualified to Receive a Survivor Benefit to determine the benefit for a surviving spouse). This amount will be divided equally among all eligible children. When one child is no longer eligible, the benefit will be redistributed among the eligible children. A totally physically handicapped or mentally disabled child will remain eligible for benefits, regardless of age, unless subsequent changes in the child's condition cause the child to no longer be dependent.

Benefits for minors under age 18 are paid in care of their legal guardian under the minor's Social Security number. Minor children over age 18 who are not disabled, if still eligible, will be paid directly.

No surviving child may receive more than one survivor's benefit. If two benefits are applicable, only the larger benefit will be paid.

Spouse Qualified to Receive a Survivor Benefit

If you are married at the time of your death, your spouse may be eligible to receive a survivor benefit. A surviving spouse without minor children will receive the Option 2A equivalent of the retirement benefit that would have been due the member based upon their years of service and applicable accrual rate (regardless of years of service) or \$600.00, whichever is greater, if:

- You accumulated at least 10 years service credit with two years being earned immediately prior to death, and you are in state service at time of death, or
- You accumulated at least 20 years service credit, whether or not you are in state service at time of death, and
- You and your surviving spouse were married for at least one year before your death.

If you are eligible for Regular retirement on your date of death, this will be a lifetime benefit regardless of whether your spouse remarries or has other income. If you are not eligible for Regular retirement on your date of death, this is not a lifetime benefit and will cease upon remarriage. Benefits will resume upon the death or divorce from the new spouse.

Children and Spouse Qualified to Receive a Survivor Benefit

If you are married at the time of your death and have a qualified surviving child/children, your spouse and qualified child/children may be eligible to receive a survivor benefit. A surviving spouse will receive 50 percent of the maximum retirement benefit that would have been due

the member based upon their years of service and applicable accrual rate (regardless of years of service) or \$600.00, whichever is greater, and the qualified child/children will each receive 50 percent of the spouse's benefit (up to a maximum of two children), if:

- You accumulated at least five years service credit with two years being earned immediately prior to death, and you are in state service at time of death, or
- You accumulated at least 20 years service credit, whether or not you are in state service at time of death.

The total benefits paid to a surviving spouse and qualified surviving child/children (as long as the spouse and child/children are both eligible for benefits) shall not be less than the Option 2A equivalent for the surviving spouse. The children's benefit will be divided equally among all eligible children. When one child is no longer eligible, the benefit will be redistributed among the eligible children.

Benefits for minors under age 18 are paid in care of their legal guardian under the minor's Social Security number. Minor children over age 18 who are not disabled, if still eligible, will be paid directly.

No qualified surviving child may receive more than one survivor's benefit. If two benefits are applicable, only the larger benefit will be paid.

If you are eligible for Regular retirement on your date of death, this benefit will be paid to your spouse until your qualified surviving children cease to be eligible for survivor benefits, regardless of whether your spouse remarries or has other income. When all children cease to be eligible for a survivor benefit, your spouse's eligibility and benefit amount will be determined based upon the provisions for a Spouse Qualified to Receive a Survivor Benefit. If you are not eligible for Regular retirement on your date of death, the spouse's benefit will cease upon remarriage. Benefits will resume upon the death or divorce from the new spouse.

Physically Handicapped or Mentally Disabled Children Qualified to Receive a Survivor Benefit

Your surviving physically handicapped or mentally disabled children may be eligible for a benefit. This benefit is payable, regardless of the child's age, if the child is incapacitated at the time of your death. The child must be dependent on your surviving spouse or other legal guardian. This benefit is payable for their lifetime. If there is more than one qualified surviving child, the benefit will be divided equally among all qualified children, including disabled children.

Form MSD 52, *Certification for Disabled Survivor* must be submitted to LASERS annually.

Trust for Minor Children

Any benefit due the qualified surviving minor children may be paid to a trust created under Louisiana law for each child.

Lump-sum Payment to a Beneficiary

If you have less than five years of service credit, or have no surviving spouse or qualified surviving children, your survivors are not entitled to monthly benefits. In this case, your last named beneficiary or your estate will receive a lump-sum payment of your total employee contributions. Funds received by a beneficiary are not subject to Louisiana inheritance taxes. However, if the funds become part of your estate, they then become subject to state inheritance taxes.

Application Process

To apply for survivor benefits, your beneficiary(ies) must submit the following to LASERS:

- Form 3-01, *Application for Survivor Benefits*
- Copy of the death certificate for the member
- Copies of Social Security cards and birth certificates for all survivors and the member
- Certified Copy of a Judgment of Divorce and/or copy of the death certificate of the member's former spouse (if applicable)
- Copy of Marriage Certificates of all survivor applicants
- Form MSD14, *Certification of Student Status* for all student survivor applicants
- Form MSD52, *Certification for Disabled Survivor* for any physically handicapped or mentally disabled child applicants
- Form 4-05, *Authorization for Direct Deposit* (required for the spouse of the deceased member)
- Form 6-02, *Insurance Premium Deduction Authorization* (if applicable)
- Form W-4P, *Withholding Certificate for Pension or Annuity Payments*. This form is not required. If the form is not submitted to LASERS, your federal tax withholding will be set as "Married with three exemptions"

LASERS

Contact Information

Location: 8401 United Plaza Blvd. • Baton Rouge, LA 70809

Mail: P.O. Box 44213 • Baton Rouge, LA 70804-4213

Phone: (toll-free) 800.256.3000 • (local) 225.922.0600

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