



# Retirement 101:

## All About Beneficiaries

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Communications Officer

# House Keeping

- Click on Q&A at the bottom of your screen.
- We will be answering questions at the end of the presentation.
- Unanswered Questions: Releasing FAQ
- Please keep questions general.



# Agenda

- What is a Beneficiary?
- Your Options
- Having the Conversation
- Best Practices
- Common Mistakes

# **What is a Beneficiary?**

# What is an SJCERA Beneficiary?

Someone who is designated to receive survivor benefits from SJCERA in the event of your death or under certain conditions.

## **Retirement Tip:**

- Designating an SJCERA beneficiary is separate from designating a life insurance beneficiary.



# Who can be a beneficiary?

A beneficiary can be either a person, or an entity.

- Spouse
- Child
- Non-relative
- Corporation
  
- California is a Community Property state
  - Spouse is the default
    - What if I want to designate someone else?

# Your Options

# The Options

## Married

### Unmodified

- Highest benefit eligible
- 60% continuance to beneficiary

### Option 1

- % cut (Based on age)
- 0 continuance to beneficiary

### Option 2

- % cut (Based on age) + cut for beneficiary continuance
- 100% continuance to beneficiary

## Unmarried

### Unmodified

- Highest benefit eligible
- 0 continuance to beneficiary

### Option 1

- Same as Married.

### Option 2

- Same as Married.

### Option 3

- % cut (based on age)
- 50% continuance to beneficiaries

### Option 4

- Multiple beneficiaries



# Sally Smith - Married

Sex: Female    Date of Birth: 2/23/1959

Date of Retirement: 2/23/2017  
Tier: 1

Years of  
Service

Non-Integrated

Integrated  
15

Total  
15

Final Avg. Monthly Salary: \$3,820.00

Normal Contributions: \$24,652.32  
COL Contributions: \$0.00

Beneficiary: John Brown  
Sex: Male

Relationship: Spouse  
Date of Birth: 02/23/1959

## Monthly Benefits

	Total	Continuance to Beneficiary	
<b>Unmodified</b>	\$1,259.87	\$755.92	60% continuance
<b>Option 1</b>	\$1,256.64	\$0.00	0% continuance
<b>Option 2</b>	\$1,126.95	\$1,126.95	100% continuance

# Jack Brown - Single

Sex: Female Date of Birth: 2/23/1959

Date of Retirement: 2/23/2017

Tier: 1

Years of Service

Non-Integrated

Integrated

Total

15

15

Final Avg. Monthly Salary: \$3,820.00

Normal Contributions: \$24,652.32

COL Contributions: \$0.00

Beneficiary: John Brown  
Sex: Male

Relationship: Other  
Date of Birth: 02/23/1985

## Monthly Benefits

	Total	Continuance to Beneficiary	
<b>Unmodified</b>	\$1,259.87	\$0.00	0% continuance
<b>Option 1</b>	\$1,256.64	\$0.00	0% continuance
<b>Option 2</b>	\$970.73	\$970.73	100% continuance
<b>Option 3</b>	\$1,102.51	\$551.26	50% continuance

# Having the Conversation

# The Conversation

- **A conversation around something this sensitive can be overwhelming for both the benefactor and the beneficiary.**
  - Be direct
  - Be empathetic
  - Be supportive
  - Be prepared

# The How

- **Start Early**
  - Don't wait!
- **Explain Your Decisions**
  - Share why you chose them
- **Discuss Financial and Legal Aspects**
  - Clarify benefits: Based on option chosen at retirement
- **Set Expectations on Action Steps**
  - Informing SJCERA

# Best Practices

# Best Practices

- **Review**
  - Regularly update beneficiary information
- **Keep Informed**
  - Regularly communicate with your beneficiary



# Common Mistakes



# Common Mistakes

- **Not Updating Beneficiaries**
  - Failure to update beneficiary information.
    - Different from Insurance, etc.
- **Lack of Clarity**
  - Beneficiaries may not understand their role.

# **Actions to Take**

# Actions to Take

- **Make sure to:**
  - **Either:**
    - Designate your beneficiary (Beneficiary Designation Form).
    - Review your beneficiary designations.
  - Start having conversations on what needs to be done in the event of your death.
    - Submitting death certificate
    - Continuance paperwork

# Coming Up:

## May 14th

- Understanding Your Retirement @ 3PM

## June 18th

- About to Retire @ 9AM

Registration open on our website: [www.SJCERA.org](http://www.SJCERA.org)



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