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Beneficiary Basics

Common Definitions

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

Continuance: Refers to a monthly benefit a beneficiary can receive in the event of your death.

Lump Sum: Rather than a monthly payout, a lump sum refers to a one time payout.

What form do I need to fill out to designate a beneficiary?

To designate a beneficiary, you will need to fill out the Beneficiary Designation form found on our website. You can find all our forms here: <https://www.sjcera.org/forms-publications/all-forms>

Designation & Changes

What happens if we do not designate a beneficiary, and we are married?

If you are an active member and no beneficiary is named at time of your passing, your contributions will be paid out to your Estate.

In retirement can you change your beneficiary if your beneficiary passes before you?

In retirement you can change your beneficiary if your designated beneficiary passes away before you. However, there is no longer a continuance to your beneficiary. Your new beneficiary will be entitled to your final payment and the death benefit.

Does getting married after naming a child as beneficiary override that designation?

Your spouse is automatically your beneficiary unless they sign off their rights to your retirement benefits.

What happens if my spouse cannot sign off on their rights (i.e. unable to locate, etc.)?

Spouse will still need to be named as a beneficiary until they are able to sign off there rights. The Justification for Non-Signature of Spouse form is used when a spouse is unable to sign but they are still the beneficiary until rights are waived.

How do I list a secondary/contingent beneficiary (e.g., in case of simultaneous deaths, or beneficiary death)?

On the Beneficiary Designation form, you'll notice there are 3 boxes for beneficiary information under Primary Beneficiaries. Please use the first box to list your primary, and your alternatives in the second and third boxes. If you wish to designate more than 3, please list their name(s), address(s), SSN(s), relationship(s) to you, and % share on a separate piece of paper and attach it to the form.

How many beneficiaries can be designated?

As many as you would like. Just note, depending on your marriage status and options at time of retirement, there may be reductions for your benefit and theirs the more beneficiaries you have.

If you are not married, can you assign benefits to children or a partner?

Yes. You can designate anyone (related or unrelated) or any entity (organization, trust, etc.) as a beneficiary if you are not married.

Divorce & Separations

What are the steps to change your beneficiary after a divorce or legal separation?

To change your beneficiary your divorce must be finalized. Submit a Beneficiary Designation form to SJCERA with a copy of your court filed judgement.

If you're legally divorced and remarried but haven't updated your beneficiary, who receives the benefits—first or second spouse?

SJCERA would need proof of the divorce from your first marriage and a copy of the marriage certificate from your current marriage for your current spouse to be entitled to any benefits after our passing.

Legal & Documentation

Does a will affect who gets my retirement benefits?

For SJCERA, if you list someone differently in your will for retirement benefits, our beneficiary designation takes precedence. It's best practice to update your beneficiary designation to reflect your final wishes.

What is required if your beneficiary is under conservatorship?

SJCERA will need a copy of any documents regarding the conservatorship.

What forms or steps are needed if a beneficiary's name or address changes?

You will need to resubmit a Beneficiary Designation form with the updated contact information.

Why is a witness required for the designation form, and does it have to be done in the SJCERA office?

You will need to resubmit a Beneficiary Designation form with the updated contact information.

If we designate a Trust as the beneficiary, how is the benefit paid out?

If you name a trust as a beneficiary, it will be a lump sum payment. Trusts do not qualify for monthly lifetime benefits.

Death & Pre-Retirement Scenarios

What will happen to my benefits if I die before retiring?

If you are an active member, your beneficiary will be provided with the following:

1. Basic Death benefit of accumulated retirement contributions plus interest and a lump sum payment equal to one month's salary for each year of service (up to six months).

2. In addition:

a. If you are eligible for a non-service-connected disability retirement, a monthly benefit of 60% of the retirement benefit the member would have received if they had retired due to a disability at the time of death.

b. If your death was due to an on-the-job injury, a 100% monthly benefit may be paid out.

If you are a deferred member, your designated beneficiary receives a lump sum payment of your contributions plus interest.

Will beneficiaries be contacted after my death, or does the family need to reach out?

SJCERA runs a death match every week, but to prevent delays in benefits, please inform your beneficiary to contact us immediately.

What is the \$5,000 death benefit?

The benefit of \$5,000 will be paid to your designated beneficiary after SJCERA receives a copy of your death certificate. This is not a life insurance benefit and is taxable income to the designated beneficiary. You may change the beneficiary designation for this \$5,000 death benefit at any time.

Options & Continuance

Option Breakdown

	Member Benefit	Beneficiary Benefit
Married		
Unmodified	Highest benefit possible.	60% of benefit continuance.
Option 1	% reduction of benefit based on age.	0% of benefit continuance.
Option 2	% reduction of benefit based on age + % reduction for beneficiary continuance based on age difference between member and beneficiary.	100% continuance to beneficiary.
Unmarried		
Unmodified	Highest benefit possible.	0% continuance to beneficiary.
Option 1	% reduction of benefit based on age.	0% continuance to beneficiary.
Option 2	% reduction of benefit based on age + % reduction for beneficiary continuance based on age difference between member and beneficiary.	100% continuance to beneficiary.
Option 3	% reduction of benefit based on age.	50% continuance to beneficiary.

What does a percentage reduction based on age mean, and how is it calculated?

A % reduction means a reduction in benefits based on the number of years between you and your beneficiary.

Where are benefit option selections located on the retirement forms?

When you decide to retire and receive your retirement packet, you'll be able to view your options. You cannot view your options before that.

If both spouses are the same age, is there still a reduction in benefits?

There is always a reduction in benefits to leave a 100% continuance. However, if you are married you can choose an unmodified benefit which gives you the greatest amount you can receive in your retirement and leaves your spouse an automatic 60% continuance.

If my spouse receives a continuance benefit and remarries, do they still keep the benefit?

Yes. Regardless of your spouse's marriage status after your passing, your spouse will continue to receive benefits.

Benefit Duration & Limits

If my children are my beneficiaries, how long do they receive benefits? Is there an age or time limit?

You would have to choose an Option 4 benefit to leave a continuance to more than one beneficiary.

Forms & Administrative Help

How can we review our beneficiary information?

To review your beneficiary information, please contact SJCERA at 209-468-2163 or email us at contactus@sjcera.org.

Miscellaneous

Is the beneficiary benefit taxed before or after distribution?

The continuance to a beneficiary is considered taxable income and complete their own tax withholding forms.

Are deferred compensation and life insurance managed by SJCERA or other providers (e.g., Nationwide)?

SJCERA only manages your pension. For information on Deferred Compensation, or Life Insurance, please contact your HR representative.