

# Beneficiary Designations

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You may designate any person or entity as a beneficiary, except you may not name a person or entity as a means of providing security for a debt or loan.

**Primary Beneficiary:** The person(s) and/or entity(ies) that you wish payment be made to in the event of your death.

**Contingent Beneficiary:** The person(s) and/or entity(ies) that you wish payment be made to in the event that there are no surviving primary beneficiaries.

If no beneficiary survives you, payment will be made to your estate.

In the event that you wish to designate your children as contingent beneficiaries and to ensure that a child is not missed in the designation, suggested language may be to write either of the following in place of the names of the children:

- Any and all surviving children;
- OR**
- All children

You should occasionally review your beneficiary designations. You may do so by contacting the SDRS office or by accessing your *MySDRS* at:

[www.sdrs.sd.gov](http://www.sdrs.sd.gov)

You should submit a new beneficiary form whenever there is a change in your family status or beneficiary designation. Forms are available on the SDRS website or by contacting the SDRS office.

If you (and your spouse, if electing a Joint & Survivor benefit) die before your accumulated contributions have been paid out, your named beneficiary or estate will receive any remaining balance.

**Eligibility:** To qualify for the survivor benefit, your spouse must have been married to you prior to your retirement date, at the time of your death, and for at least 12 months before your death.

**Early Surviving Spouse Benefit:** Your eligible surviving spouse may elect to start the surviving spouse benefit prior to age 67 and as early as age 57, payable at a reduced rate. The amount of reduction equals 5% for each full year (and prorated for partial year) between the date the benefit begins and when your surviving spouse would attain age 67.

**Payments to Minors:** SDRS cannot make payments directly to minors. If any person designated as your beneficiary is a minor, payment must be made to a conservator or custodian. You can save time and expense by designating a custodian as beneficiary and completing an SDRS Form E-5a *Transfer to Minor*. This form can be obtained on the SDRS website at [www.sdrs.sd.gov](http://www.sdrs.sd.gov).

**Divorce:** It is important to note that state law will not recognize an ex-spouse as a named beneficiary unless that person is named on an SDRS beneficiary form that is prepared, signed, and dated after the date of divorce.

**Your beneficiary designation is effective when properly executed and accepted by SDRS. In the event two or more SDRS beneficiary forms are prepared and on file, the form with the most recent date will be followed.**



## Beneficiary Designations and Death Benefits

For Generational Members  
Joining SDRS On/After July 1, 2017



July 2017

South Dakota Retirement System  
222 East Capitol Avenue • Pierre, SD 57501  
(888) 605-SDRS • [www.sdrs.sd.gov](http://www.sdrs.sd.gov)

## Death Benefits

### If You Die While Still Employed

**Family Benefit:** Payable on behalf of your eligible dependent children under the age of 19. The family benefit equals the greater of:

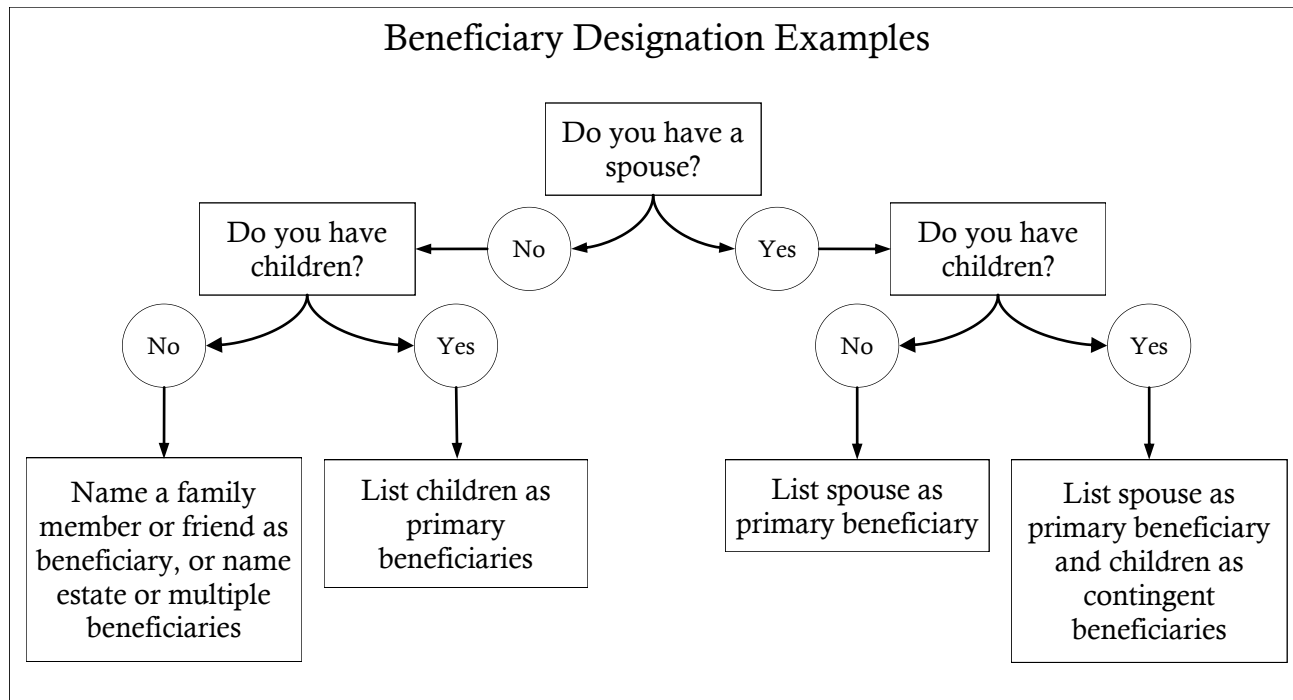
- 25% of your final average compensation at the time of your death; or
- Your unreduced accrued retirement benefit at the time of your death

The family benefit shall be equally apportioned among your eligible dependent children. Payments will be made on behalf of each child to the child's conservator or custodian.

As each child reaches age 19, the family benefit will be reallocated to any remaining children. The family benefit payments continue until all eligible dependent children reach the age of 19.

**Surviving Spouse Benefit:** Effective and payable when your surviving spouse reaches age 67. The surviving spouse benefit will be calculated as follows, whichever is applicable:

- If a family benefit was paid, 60% of the family benefit paid at the time the family benefit ended, increased by the annual cost-of-living adjustment; or
- If a family benefit was not paid, 60% of the following [(1) or (2)], whichever is greater:
  - (1) 25% of your final average compensation at the time of your death, increased by the annual cost-of-living adjustment; or
  - (2) Your unreduced accrued retirement benefit at the time of your death, increased by the annual cost-of-living adjustment.



The surviving spouse benefit is paid in monthly installments for your surviving spouse's lifetime.

**Eligibility:** For your spouse and family to be eligible for these benefits, you must be a contributing member with at least three years of credited service or have died while performing the usual duties of your job and prior to your normal retirement age (age 67 for Class A members; age 57 for Class B Public Safety members) or your retirement.

### If You Die After Retirement

A Generational member's retirement benefit is a single-life benefit; however, you may make an election at retirement to take an actuarially reduced retirement benefit in order to provide a surviving spouse benefit to your eligible surviving spouse.

**Single-Life Benefit:** If you selected this option at retirement, benefits are payable for your lifetime only. No benefit would be payable to your surviving spouse, if applicable.

**60% Joint & Survivor Benefit:** If you selected this option at retirement, your eligible spouse would receive a surviving spouse benefit equal to 60% of the benefit being paid to you at the time of your death. The surviving spouse benefit will continue for your spouse's lifetime with annual cost-of-living adjustments.

**100% Joint & Survivor Benefit:** If you selected this option at retirement, your eligible spouse would receive a surviving spouse benefit equal to 100% of the benefit being paid to you at the time of your death. The surviving spouse benefit will continue for your spouse's lifetime with annual cost-of-living adjustments.