SURVIVOR BENEFITS

Revised March 2023

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OVERVIEW

In the event of your death before retirement, Colorado PERA may provide monthly survivor benefits to your qualified survivors or a lump-sum payment to your named beneficiary(ies). The statutes and rules governing eligibility for a monthly survivor benefit and the order in which your qualified survivors receive monthly survivor benefits are different under the PERA and Denver Public Schools (DPS) benefit structures.

If your membership began with a DPS employer on or after January 1, 2010, your membership is under the PERA benefit structure and monthly survivor benefits will be paid under the PERA benefit structure statutes and rules.

If your membership status allowed you to exercise portability between the PERA and DPS benefit structures, and you now have a frozen Defined Benefit (DB) Plan account, your frozen DB Plan account is considered to be an inactive DB Plan account for purposes of monthly survivor benefit eligibility.

If you are a PERA DC Plan participant, you are not eligible for survivor benefits under PERA's plan.

- Keep this booklet with your important papers and in the event of your death, your qualified survivors or named beneficiary(ies) should promptly notify PERA of your death by calling 800-759-PERA (7372).

TIMING OF BENEFIT PAYMENTS

Once PERA has received all required documentation, monthly survivor benefit payments will be effective on the first of the month following the date of death, or the first of the month when your qualified survivors are eligible to receive a monthly survivor benefit. Monthly survivor benefit payments are issued on the last business day of the month. Lump-sum payments are only issued after all contributions are received from the member's employer.

RETIREMENT ELIGIBILITY AND SURVIVOR BENEFITS

Under the PERA benefit structure, the order in which your qualified survivors receive monthly survivor benefits depends on whether or not you are eligible for retirement at the time of your death. Under the DPS benefit structure, retirement eligibility is not a factor.

The following tables show the minimum requirements to be eligible for retirement under the PERA benefit structure. Refer to the *Your PERA Benefits* booklet for full retirement eligibility details. You can also review the *Highest Average Salary Percentage Tables* online at copera.org.

PERA BENEFIT STRUCTURE | Minimum Retirement Eligibility Requirements PERA Membership Started on or Before December 31, 2019

Minimum Age	Minimum Service Credit
Any age	35 years
50	25 years
55	20 years
60	5 years
65	Any years

SAFETY OFFICERS | Minimum Retirement Eligibility Requirements

PERA Membership Started on or Before December 31, 2019

Minimum Age	Minimum Service Credit
Any age	30 years
50	20 years
60	5 years
65	Any years

Recent legislation expanded the eligibility for State Trooper benefits to additional employee classifications for employees hired on or after January 1, 2020. With this change, this group of members is now referred to as "Safety Officers" in this publication instead of "State Troopers."

PERA BENEFIT STRUCTURE

The order in which your qualified survivors receive monthly survivor benefits depends on whether or not you are eligible for retirement at the time of your death (see the charts on page 2 and above).

MEMBER ELIGIBLE FOR RETIREMENT

If you are an active PERA member and you are eligible for retirement, your qualified survivors are listed in order of eligibility:

1. **Cobeneficiary:** The person designated by you (after you are eligible for a monthly benefit) to receive an Option 3 monthly benefit. (To designate a cobeneficiary to receive this monthly benefit, call PERA and request an *Option 3 Declaration Form*.)

   Monthly benefit: Your cobeneficiary will receive an Option 3 monthly benefit.

2. **Spouse:** The person to whom you were married or joined by civil union on the date of your death. If you were common law married, PERA will request documentation, including a determination of marriage from a court.

   Monthly benefit: Your surviving spouse will receive an Option 3 monthly benefit.

3. **Children:** Natural or adopted children who are unmarried, and either:
   - » Under age 18, or
   - » Under age 23; if enrolled full-time in an accredited school within six months after your date of death.

   The definition of natural children is limited to children born before the death of the member or conceived before the death of the member and brought to term within the normal gestation period following the member's death. This monthly survivor benefit continues to be payable to your children until they are no longer qualified based upon the earliest of:
   - » Reaching age 18; if not enrolled full-time in an accredited school.
   - » Reaching age 23; if enrolled full-time in an accredited school.
   - » Date of marriage.

   Monthly survivor benefit: One qualifying child receives 40% of your Highest Average Salary (HAS); two or more qualifying children share 50% of your HAS equally. This monthly survivor benefit continues to be payable to the child until that child is no longer qualified.

4. **Disabled Adult Children:** Children who become mentally or physically incapacitated from gainful employment prior to marrying or reaching age 18 (or age 23 if enrolled full-time in school).

   Monthly survivor benefit: A disabled adult child may continue to receive a child's monthly survivor benefit as explained previously in number 3 above, and the monthly survivor benefit will continue until the child is no longer disabled.

5. **Dependent Parents:** Financially dependent parents who receive at least 50% of their support from you as documented by IRS tax returns at the time of your death.

   Monthly survivor benefit: One dependent parent receives 25% of your HAS; two dependent parents share 40% of your HAS. This monthly survivor benefit continues to be payable to the dependent parent until the parent is married.

6. **Named Beneficiary(ies):** If there are no qualified survivors to receive a monthly survivor benefit, the person(s) or entity you designate as a named beneficiary(ies) will receive a lump-sum payment of your PERA account balance.

7. **Your Estate:** If there are no individuals in 1 through 6, your estate will receive a lump-sum payment.

Note: Surviving spouses and dependent parents who are eligible for a monthly survivor benefit and who are also a named beneficiary on your DB Plan account may elect to receive a lump-sum payment in lieu of a monthly survivor benefit, if there are no other qualified survivors.

MEMBER NOT ELIGIBLE FOR RETIREMENT

If you are an active PERA member with at least one year of earned service and you are not eligible for retirement when you die, your qualified survivors are listed below in order of eligibility. If your death is job-related, this service credit minimum is waived.

1. **Children:** Natural or adopted children who are unmarried, and either:
   - Under age 18, or
   - Under age 23; if enrolled full-time in an accredited school within six months after your date of death.

See the glossary on pages 14-15 for definitions of:

- PERA HAS
- DPS Option P3/PERA Option 3
- Lump-Sum Payment

The definition of natural children is limited to children born before the death of the member or conceived before the death of the member and brought to term within the normal gestation period following the member's death. This monthly survivor benefit continues to be payable to your children until they are no longer qualified based upon the earliest of:

- Reaching age 18; if not enrolled full-time in an accredited school.
- Reaching age 23; if enrolled full-time in an accredited school.
- Date of marriage.

Monthly survivor benefit: One qualifying child receives 40% of your HAS; two or more qualifying children share 50% of your HAS equally. This monthly survivor benefit continues to be payable to the child until that child is no longer qualified.

2. **Spouse:** The person to whom you were married or joined by civil union on the date of your death. If you were common law married, PERA will request documentation, including a determination of marriage from a court.

Monthly benefits are as follows:

- ***If your death is job-related:***
  Your surviving spouse may elect to immediately begin receiving an Option 3 monthly benefit.
- ***If you have between one and 10 years of service credit at the time of your death:***
  Your surviving spouse, at age 60, is eligible to begin receiving a monthly benefit equal to 25% of your HAS. If PERA determines that your surviving spouse is disabled, the monthly benefit is payable immediately.
- ***If you have 10 or more years of service credit at the time of your death:***
  - Your surviving spouse will immediately begin receiving an Option 3 monthly benefit, provided there are no qualified children.
  - If there are qualified children, a surviving spouse would begin receiving this monthly benefit immediately following the conclusion of the qualifying children's receipt of monthly survivor benefits.

3. **Disabled Adult Children:** Children who become mentally or physically incapacitated from gainful employment prior to marrying or reaching age 18 (or age 23 if enrolled full-time in school).

   Monthly survivor benefit: A disabled adult child may continue to receive a child's monthly survivor benefit as explained in the "Children" section on page 5, and the monthly survivor benefit will continue until the child is married or no longer disabled.

4. **Dependent Parents:** Financially dependent parents who receive at least 50% of their support from you as documented by IRS tax returns at the time of your death.

   Monthly survivor benefit: One dependent parent receives 25% of your HAS; two dependent parents share 40% of your HAS. This monthly survivor benefit continues to be payable to the dependent parent until the parent is married.

5. **Named Beneficiary(ies):** If there are no qualified survivors to receive a monthly survivor benefit, the person(s) or entity you designate as a named beneficiary(ies) will receive a lump-sum payment of your PERA account balance.

6. **Your Estate:** If there are no individuals in 1 through 5 (as noted above and on page 5), your estate will receive a lump-sum payment.

Note: Surviving spouses and dependent parents who are eligible for a monthly survivor benefit and who are also a named beneficiary on your DB Plan account may elect to receive a lump-sum payment in lieu of a monthly survivor benefit, if there are no other qualified survivors.

See the glossary on pages 14-15 for definitions of:

» PERA HAS » DPS Option P3/PERA Option 3 » Lump-Sum Payment

LESS THAN ONE YEAR OF SERVICE CREDIT

If you die with less than one year of earned PERA service credit and your death is not job-incurred, your named beneficiary(ies) will receive a lump-sum payment.

INACTIVE MEMBER

If you are an inactive member with at least five years of PERA service credit, in the event of your death:

- **Your surviving spouse is eligible to receive an Option 3 monthly benefit** beginning on the date you would have been eligible to receive a reduced service retirement benefit. If your surviving spouse is also the named beneficiary, he/she may receive a lump-sum payment in lieu of a monthly benefit.
- **If you have no surviving spouse**, your named beneficiary(ies) will receive a lump-sum payment.
- **If you have no surviving spouse or named beneficiary**, your estate will receive a lump-sum payment.

If you are an inactive member with less than five years of PERA service credit, in the event of your death:

- **Your named beneficiary(ies)** will receive a lump-sum payment ***or***
- **Your qualified survivors,** in some cases, may qualify for a monthly survivor benefit if you earned at least six months of PERA service credit within the three years preceding your death and you died from the same illness or injury that caused you to terminate PERA employment. PERA will notify your survivors if they are eligible.

See page 14 for the definition of an Inactive Member.

DPS BENEFIT STRUCTURE

Under the DPS benefit structure, your qualified survivors may be eligible for monthly survivor benefits if you meet **one** of the two following criteria:

- If, immediately prior to your death, you are an active member under the DPS benefit structure and you have completed at least five years of continuous service under the DPS benefit structure ***or***
- You qualify for disability retirement and have yet to meet the age requirement for recalculation of your disability retirement benefits.

If you meet one of the two criteria above, your qualified survivors may be eligible for monthly survivor benefits when all named beneficiaries are notified of their option to receive a monthly survivor benefit or a lump-sum payment and agree to waive their right to receive a lump-sum payment by September 30 of the year following your death. Please see "Qualified Survivors" below.

If you qualify for disability retirement and have met the age requirement for recalculation of your disability retirement benefits, after your death, monthly benefits will be based on the benefit option selection made at the time of recalculation. See the *Your PERA Benefits* booklet for detailed information on benefit options.

QUALIFIED SURVIVORS

Your qualified survivors are listed below in order of eligibility. Please note that multiple qualified survivors may be eligible to receive monthly survivor benefits at the same time.

1. **Children:** Natural or adopted children who are unmarried, and either:
   - Under age 18, or
   - Under age 23; if enrolled full-time in an accredited school within six months after your date of death.

   The definition of natural children is limited to children born before the death of the member or conceived before the death of the member and brought to term within the normal gestation period following the member's death. If a qualified child is adopted by anyone other than your surviving spouse who has not remarried, the monthly survivor benefit will terminate. If such surviving spouse remarries after adopting the qualified child, the monthly survivor benefit will terminate.

Monthly survivor benefit: Up to three qualifying children will each receive the greater of $160 or 10% of your HAS. Four or more qualifying children will receive the greater of $480 or 30% of your HAS, split equally.

2. **Disabled Children:** Children of any age who are mentally or physically incapacitated from gainful employment, provided they are unmarried and financially dependent upon you at the time of death.

   Monthly survivor benefit: A disabled child will receive a child's monthly survivor benefit as explained previously in number 1, and the monthly survivor benefit will continue until the child is married or no longer disabled. If a disabled child is adopted by anyone other than your surviving spouse who has not remarried, the monthly survivor benefit will terminate. If such surviving spouse remarries after adopting the disabled child, the monthly survivor benefit will terminate.

3. **Spouse With Custody of Children:** The person to whom you are married or joined by civil union on the date of your death, who has custody of children, as defined in the "Children" section on page 9 or disabled children, as defined in the "Disabled Children" section above.

   Monthly survivor benefit: Your spouse's monthly survivor benefit will be offset by the monthly survivor benefit received by your children, as described in the "Children" section on page 9, and the "Disabled Children" section above.

   The monthly survivor benefit amount is based on the service credit you have on the date of your death:

   - If you have less than 15 years of earned service credit at the time of your death, your surviving spouse will receive the greater of $480 or 30% of your HAS.
   - If you have between 15 and 25 years of earned service credit at the time of your death, your surviving spouse will receive the greater of $480 or 40% of your HAS.
   - If you have 25 or more years of earned service credit at the time of your death, your surviving spouse will receive the greater of $480 or 40% of your HAS. For every year over 25 years of earned service credit, your HAS is increased by 2%.

See the glossary on page 14 for definitions of:

- DPS HAS
- DPS Option B
- DPS Option B Beneficiary
- DPS Option P3/PERA Option 3
- Lump-Sum Payment

4. **Spouse Without Custody of Children:** The person to whom you are married or joined by civil union on the date of your death, without custody of your qualified children. Your spouse will be eligible for a monthly survivor benefit at age 60, or at age 50, if you had at least 15 years of earned service credit on your date of death. This monthly survivor benefit also applies if there are no children as defined in the "Children" section on page 9 or disabled children as defined in the "Disabled Children" section on page 9, or a spouse with custody of children, as defined on page 9, who are eligible for a monthly survivor benefit.

   Monthly survivor benefit: If your spouse is age 60 or older, he or she will receive the lesser of $480 or 30% of your HAS. If your spouse is at least 50 years of age, he or she will receive the greater of $480 or 30% of your HAS, increased by 1% of HAS for each year of service over 15.

5. **Dependent Parents:** A parent who has not remarried since your death and who received at least 50% of his or her support from you, and who has been receiving support for at least six months prior to your death. Dependent parents are not eligible for monthly survivor benefits if there are other qualified survivors who are receiving monthly survivor benefits.

   Monthly survivor benefit: Greater of $240 or 10% of your HAS.

6. **Named Beneficiary(ies):** The person(s) or entity designated by you to receive a lump-sum payment of your PERA account balance. Your named beneficiary(ies) is only eligible for a monthly survivor benefit if you were eligible for service or reduced service retirement at the time of your death.

   Monthly survivor benefit: Your named beneficiary(ies) may elect to receive either an Option B or an Option P3 monthly benefit, or may elect to receive a monthly survivor benefit as described under the "Qualified Survivors" section starting on page 9 if your named beneficiary(ies) is also a qualified survivor.

INACTIVE MEMBER

If your membership status allowed you to exercise portability and you have a frozen DB Plan account in the DPS benefit structure, your DB Plan account is considered to be inactive and your qualified survivors would not be eligible for a monthly survivor benefit upon your death. Your named beneficiary(ies) would receive a lump-sum payment.

See page 14 for the definition of an Inactive Member.

PAYMENTS TO MINOR CHILDREN

If the annual survivor benefit amount payable to a minor is less than the federal gift tax exclusion amount (currently $17,000), PERA can pay minor children survivor benefits to any of the following:

- A person who has the care and custody of the minor and with whom the minor resides;
- A guardian of the minor;
- A custodian (as defined under the "Colorado Uniform Transfers to Minors Act" ["UTMA"] article 50 of the title 11, C.R.S.), or a custodial trustee (as defined under the "Colorado Uniform Custodial Trust Act," article 1.5 of this title); or
- A financial institution as a deposit in an interest-bearing account or certificate in the sole name of the minor and giving notice of the deposit to the minor.

If the annual survivor benefit amount payable to a minor is greater than the federal gift tax exclusion amount (currently $17,000), PERA must pay minor children survivor benefits to the conservator of the minor child. In the event that the minor child does not have a conservator, PERA must pay a custodian or custodial trustee as defined above.

See page 14 for the definition of a Conservator.

HEALTH CARE COVERAGE

Qualified survivors receiving a monthly survivor benefit and the guardians of any children receiving monthly survivor benefits are eligible to enroll in the PERACare Health Benefits Program. PERACare offers health care, dental, and vision insurance plans. Qualified survivors must enroll within 30 days after the first day that the monthly survivor benefit is payable.

If a survivor is receiving a monthly survivor benefit based on a DB Plan account in the PERA benefit structure, PERA subsidizes a portion of the monthly premium based on the deceased member's years of service credit. If a survivor is receiving a monthly survivor benefit based on a DB Plan account in the DPS benefit structure, no subsidy is available.

TAXES ON PERA BENEFITS

Qualified survivors who receive a monthly survivor benefit must instruct PERA how much to withhold for federal or state taxes on Form W-4P or the *Colorado State Withholding Form* located in the *Taxes on PERA Benefits* booklet.

If you are a public safety officer, as defined by the Internal Revenue Code, and are killed in the line of duty, your surviving spouse and qualified children may be exempt from federal income tax on the PERA monthly survivor benefit that they receive. Consult a tax professional to determine if they would qualify for this exemption under Section 101(h) of the federal Internal Revenue Code. Your qualified survivors should contact PERA if they believe that this exemption applies so that PERA can determine proper tax withholding and reporting. Your qualified survivors may be required to submit documentation to demonstrate that they qualify for this exemption.

GLOSSARY

CONSERVATOR
A person appointed by a judge to manage the money and property of a minor child.

DPS HIGHEST AVERAGE SALARY (HAS)
The average monthly salary of the 36 months of earned service having the highest salaries if you were eligible to retire on January 1, 2011. If you were not eligible to retire on January 1, 2011, your HAS is the PERA HAS definition as described on page 15.

DPS OPTION B
A lifetime monthly benefit based on a guaranteed period of payments determined at the time of the member's death.

DPS OPTION B BENEFICIARY
The person(s) designated to receive the remainder of monthly benefits should the benefit recipient die before the end of the guaranteed period of payments.

DPS OPTION P3/PERA OPTION 3
A lifetime monthly benefit based on a member's age and service credit, and on the age and life expectancy of the survivor at the time of the member's death.

INACTIVE MEMBER
A member who terminated PERA-covered employment and is not making member contributions, but has retained their DB Plan account with PERA.

LUMP-SUM PAYMENT
A single payment of a deceased member's contributions and interest. Under the PERA benefit structure, the payment includes a 100% match on contributions and interest. The DPS benefit structure does not include a match.

PERA HIGHEST AVERAGE SALARY (HAS)

An average monthly salary figure, calculated by averaging several years of your highest salaries. Each year used in the calculation is a period of 12 consecutive months of service credit during which PERA contributions were paid. The number of years used in the calculation changes depending on when you became a member. If you had five years of service credit as of January 1, 2020, three years of your highest salaries will be used. If you did not have five years of service credit as of January 1, 2020, or if you begin PERA membership on or after that date, five years of your highest salaries will be used.

UNIFORM TRANSFERS TO MINORS ACT (UTMA) ACCOUNT

An account that authorizes a custodian to hold and manage assets on behalf of a minor child. While the age of majority in Colorado is 18, the custodianship of a UTMA account does not end until the child reaches age 21.

This booklet contains general information about PERA's survivor benefits program. Your rights, benefits, and obligations as a PERA member are governed by Title 24, Article 51 of the Colorado Revised Statutes and the Rules of the Colorado Public Employees' Retirement Association, which take precedence over any interpretations in this booklet.

5/9 (REV 3-23)

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Contact PERA

Visit PERA's website at copera.org.

Call PERA's Customer Service Center at 800-759-7372.

Visit the PERA offices in Denver, Lone Tree, or Westminster.

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Forms and publications can be found on the PERA website. Copies can also be requested by calling PERA's Customer Service Center.