

**PENSION BOARD POLICIES
FIREFIGHTERS & POLICE OFFICERS
PENSION FUND OF THE CITY OF TAMPA**

Policy Number: 420
Policy: Release of Pension Benefits of Deceased Pensioner
Eff. Date: 12/15/92 11/23/99 11/27/01 10/27/11 03/25/15 10/28/15 06/22/22 06/24/26
Ref: Pension Contract, Board Minutes, Legal Opinion

POLICY:

- I. **PURPOSE:** The purpose of this policy is to specify who is entitled to pension benefits due a deceased pensioner or plan member when he/she dies and there is no eligible surviving spouse or joint annuitant entitled to pension benefits under Section 8 or Section 9 of the Pension Contract.
- II. **DEFINITIONS:**
 - A. For the purpose of this policy deceased pensioners include:
 1. Pensioners receiving monthly pension benefits.
 2. All vested and non-vested plan members who are actively working for the City of Tampa, who die while in service but without regard to cause, and who do not have eligible surviving spouses or joint annuitants eligible for benefits under Section 8 or Section 9 of the Pension Contract.
 3. Deferred pensioners not yet entitled to benefits due to age or legal processes.
 4. Eligible surviving spouses, children, or joint annuitants receiving benefits under Section 8 or Section 9 of the Pension Contract.
 - B. An eligible surviving spouse is a widow/widower who was married to the pensioner at the time of the pensioner's death and was EITHER
 1. married to the pensioner during some period of the pensioner's employment prior to retirement, including DROP entry, OR
 2. married to the pensioner when the pensioner elected the Remarriage After Retirement option, pursuant to Section 9(C)(2) of the Pension Contract and Policy 440 – Remarriage/Marriage After Retirement.
 - C. Pension benefits include:
 1. any monthly pension benefits due the pensioner, including benefits that have accrued from the first (1st) of the month until date of death of the pensioner;

2. the balance of a ten-year-certain (10YC) benefit payable for a pensioner who elected or was otherwise covered by Option 1, under Policy 414, if any;
3. for a pensioner who elected Options 2, 3a, 3b, 3c, and 3d, under Policy 414, the difference between his or her contributions into the Fund (without interest) and:
 - a. the total amount of pension benefits, including cost-of-living adjustments and 13th checks, received by a pensioner who died while retired, OR
 - b. the total amount of pension benefits that accrued to the pensioner's DROP account, including cost-of-living adjustments and 13th checks, but not including investment gains/losses or administrative expenses, for a pensioner who died while in DROP;
4. any 13th check due and payable to the pensioner after his or her death;
5. the balance of a pensioner's DROP accruals, if applicable and if no Designation of Beneficiary for Accumulated DROP Benefits form is on file;
6. any other benefits due a pensioner after his or her death;
7. a refund of contributions without interest, for members or pensioners who are ineligible to receive monthly pension benefits.

III. PROCEDURES

- A. When a pensioner dies and there is no eligible surviving spouse or joint annuitant entitled to pension benefits under Section 8 or Section 9 of the Pension Contract, any pension benefits due the pensioner will be released in the following order and after receipt of documentation satisfactory to the Board:
 1. To beneficiaries listed by the pensioner on a form promulgated by the Board, signed by the pensioner, and maintained in the pension office. In the case of more than one form, the latest in time controls. Any form in transit, but not yet received by the pension office at the time of a pensioner's death will be deemed invalid.
 2. To a personal representative or in the absence of a personal representative, directly to beneficiaries pursuant to a court order.
 3. In the absence of any of the documentation listed in 1 and 2, above, an order of distribution in accordance with Florida law for intestate succession will be required from a court of competent jurisdiction for estate payments with accrued pension benefits **greater than \$5,000.00**. For estate payments with accrued pension benefits **less than or equal to \$5,000.00**, benefits will be released upon receipt of a completed, signed, and notarized Estate Application and Payment Authorization form.

- B. When a pensioner dies and there is a balance of a 10YC benefit payable to a member who elected or was otherwise covered by Option 1, under Policy 414, the Board, in its discretion may direct the commuted value of these benefits be paid in a lump sum to the pensioner's eligible recipients, as indicated above. Should the Board choose to exercise this option, the actuary will utilize the following assumptions in the calculation:

Discount rate: Actuarially assumed rate of return of the fund in effect as of the date of the pensioner's death

COLAs: COLAs, if any remaining, shall be forecast using the immediately preceding cost-of-living-adjustment pursuant to Section 23.

13th check: 13th check benefit, if any, shall not be a part of the commuted value calculation and shall be paid in accordance with Section 27 of the Pension Contract and Policy 425 – 13th Check Program.

- C. When a vested plan member who elected or was otherwise covered by Option 1, under Policy 414, dies non-line-of-duty while active and before reaching normal retirement age – age 46 or 20 years of credited pensionable service, the member's eligible surviving spouse or beneficiaries or estate, as indicated above, shall be entitled to receive the accrued, unreduced 10YC pension benefit payments immediately, upon application and processing of monthly survivor benefits. Upon reaching the 120th payment, the eligible surviving spouse benefit will be paid in accordance with Section 9 of the Pension Contract. If the 10YC benefit is paid to a beneficiary or estate, payments shall cease upon reaching the 120th payment.
- D. If a minor child receiving benefits under Section 8 or Section 9 dies before he/she becomes ineligible for benefits, any monthly pension benefits due the minor child, including benefits that have accrued from the first (1st) of the month until date of death of the minor child, will be paid to the minor child's surviving parent. In the absence of a surviving parent, an order of distribution in accordance with Florida law for intestate succession will be required from a court of competent jurisdiction.

Federal income tax will be withheld at a rate of then applicable rate from all payments made to a deceased pensioner's estate under paragraph A of this section unless a Form W-4R is received by the pension office indicating a different withholding status/amount. If this form is not received by the pension office in time for payment of the estate benefit, the default withholding shall be as provided by law. If the deceased pensioner was receiving a line-of-duty disability or death benefit, that benefit is non-taxable and federal income tax will not be withheld, except for 13th Check payments and when required by law.