



Choosing the Contributory Death Benefit for Retired Members

DUE NO LATER THAN

North Carolina Retirement Systems



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Section A. Please review your personal information.

| | | | | |
|-------------------|-------|-----------|---------------------------|---------------|
| FIRST NAME | MI | LAST NAME | | SSN |
| MAILING ADDRESS | | | | MEMBER ID |
| CITY | STATE | ZIP CODE | TELEPHONE NO. | DATE OF BIRTH |
| RETIREMENT SYSTEM | | | EFFECTIVE RETIREMENT DATE | |

Section B. Please review a summary of the Contributory Death Benefit for Retired Members.

If this optional coverage is chosen, upon the death of a covered member, a benefit shall be paid to the member's surviving spouse, or if not survived by a spouse, to the administrator or executor of the member's estate, or collector of funds for the estate. Should a covered member's death occur on or after the first day of the month following the 24th month of coverage for which the member has made the required monthly contributions, a lump-sum payment of \$10,000 shall be payable. Should the member's death occur prior to the first day of the month following the 24th month of coverage for which member has made the required monthly contributions, a lump-sum payment equal to the member's total contributions together with interest, at 6.5% compounded annually, shall be payable. See Guide A for additional information.

Section C. If declining, please do so with your signature.

I decline coverage under the Contributory Death Benefit for Retired Members.

I acknowledge that I am declining my only lifetime opportunity to choose this optional coverage under this Retirement System.

Signature _____ Date _____

Section D. If accepting, please authorize this benefit with your signature.

I choose coverage under the Contributory Death Benefit at the estimated rate of \$ _____ due each month.

I understand that the Retirement Systems Division **must receive this form by** _____

I understand that the Retirement System may adjust the rate quoted here to be the rate quoted by the Board of Trustees governing the Retirement System should my age change by the effective date of coverage of this benefit.

I understand that the monthly contributions will be deducted from my monthly retirement benefit if possible, and if not, contributions are due on the 25th of each month.

I understand that if my benefit is cancelled for any reason, I will not have the choice to reinstate it.

I understand that I cannot name a beneficiary, and that my surviving spouse at my death, not necessarily the spouse I name in Section E, is the beneficiary of this benefit, and if I do not have a spouse at the time of my death, this benefit will be paid to my administrator or executor of my estate, or collector of funds for my estate.

Signature _____ Date _____

Section E. Please tell us about your current marital status.

What is your marital status? Single Married Widowed Divorced Separated (not divorced) for _____ months

If you are married or separated, please give the name of your spouse as of the date of your signature in Section D.

| | | | | | |
|-----------------|----|-----------|------|----------------|---------------|
| FIRST NAME | MI | LAST NAME | | SSN (IF KNOWN) | DATE OF BIRTH |
| MAILING ADDRESS | | | CITY | STATE | ZIP CODE |

Please submit this form to the address below or fax it to (919) 508-5350. Thank you.

N.C. Department of State Treasurer, Retirement Systems Division
 325 North Salisbury Street, Raleigh, North Carolina 27603-1385
 (919) 807-3050 in the Raleigh area or (877) 627-3287 toll free
 www.myncretirement.com

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Guides to Choosing the Contributory Death Benefit for Retired Members

North Carolina Retirement Systems

Guide A. What is the Contributory Death Benefit?

What is the Contributory Death Benefit?

The Contributory Death Benefit is an optional benefit that gives the retiree an opportunity to provide a one-time death benefit, up to the amount of \$10,000. It is entirely optional, and retirees who choose to participate pay for the cost of the coverage.

Who is eligible?

You are eligible to participate in the Contributory Death Benefit if you are retiring for the first time in one of the following retirement systems:

- Teachers' and State Employees' Retirement System
- Local Governmental Employees' Retirement System
- Consolidated Judicial Retirement System
- Legislative Retirement System

The Retirement Systems Division must receive your Form 333 (Choosing the Contributory Death Benefit) within 90 calendar days of the effective retirement date of your first retirement, whether a disability or service retirement. If you are retiring from more than one system, a Form 333 is required for each system. Retirement law allows you only one opportunity to choose this coverage under each retirement system.

Recipients of benefits under the Disability Income Plan of North Carolina are not eligible to participate until they convert to a service retirement.

Who is the beneficiary?

The law has designated your spouse at the time of your death as the recipient of the benefit. If you have no spouse, the benefit will be paid to your legal representative (usually the administrator or the executor of your estate, or collector of funds for your estate). The law does not allow you to choose any other beneficiary. Regardless, this benefit may help those who survive you to cover funeral costs and make transitions. Please ask your spouse or executor of your estate to report your death to the Retirement Systems Division with your death certificate.

What amount will be payable at my death?

The amount payable at your death depends on how soon your death follows your effective date of participation in the Contributory Death Benefit. If your death occurs on or after the two-year or 24-month anniversary of your effective date of participation, the full \$10,000 will be paid.

If your death occurs prior to the two-year anniversary, your beneficiary will receive the total of the contributions you have made plus interest at 6.5% per year.

When does coverage become effective?

The effective date of coverage is determined by when the Retirement Systems Division receives your Form 333. If your

form is received on or before the 15th day of the month, your effective date of coverage will be the first day of the month. If your form is received after the 15th of the month, your effective date of coverage will be the first day of the following month.

What is the cost of participation?

The rate you must pay is based on your nearest age at the effective date of coverage. The Retirement Systems Division will deduct this amount from each monthly retirement benefit until your death.

The following table gives the monthly rate for life for those from age 50 to age 80. The rates for those over the age of 80 are available upon request.

| Age at Effective Date | Monthly Rate for Life | Age at Effective Date | Monthly Rate for Life |
|-----------------------|-----------------------|-----------------------|-----------------------|
| Less than 50 | \$ 8 | 65 | \$ 22 |
| 50 | 8 | 66 | 24 |
| 51 | 9 | 67 | 26 |
| 52 | 10 | 68 | 27 |
| 53 | 10 | 69 | 29 |
| 54 | 11 | 70 | 31 |
| 55 | 12 | 71 | 33 |
| 56 | 12 | 72 | 35 |
| 57 | 13 | 73 | 38 |
| 58 | 14 | 74 | 40 |
| 59 | 15 | 75 | 43 |
| 60 | 16 | 76 | 46 |
| 61 | 17 | 77 | 49 |
| 62 | 18 | 78 | 52 |
| 63 | 20 | 79 | 56 |
| 64 | 21 | 80 | 59 |

The Retirement Systems Division reserves the right to change this rate structure for members who retire in the future and choose coverage.

Please continue to the next page.



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North Carolina Retirement Systems

Guide B. If I do choose the Contributory Death Benefit, what happens?

How will I pay for this benefit?

If there are sufficient funds in your retirement benefit, the required contribution amount will be deducted from your monthly benefit. If there are not sufficient funds in your retirement benefit, the Retirement Systems Division will send you a bill each month. Your payment is due on the 25th of each month in the form of a check or money order. The law does not allow payments in advance of the month due, automatic deductions from a bank account, or cash or credit card payments. Your first monthly contribution is due in the month coverage becomes effective, and is due and payable each month thereafter. If your benefit is cancelled due to failure to make timely payments, your contributions will not be refunded, and you will not have the choice to resume participation.

May I cancel coverage later? If I do, what happens?

You may request in writing that your coverage be cancelled at any time. However, once you cancel your coverage, you will not have the choice to reinstate your coverage under this Retirement System. Cancellations are effective the month that written request is received if received on or before the 10th of

the month. Otherwise, cancellations are effective the following month. If the Retirement Systems Division receives this request within 90 days of the effective date of participation, then your contributions will be refunded to you. Otherwise, you will not receive a refund of your contributions.

What happens to the contributions?

The contributions are placed in the Contributory Death Benefit Trust for Retired Members separate and apart from any other trust funds. The Department of State Treasurer invests the funds for the sole purpose of paying the benefits and expenses of the Benefit. The amount due the beneficiary is not based on the performance of the funds. The North Carolina Department of State Treasurer of which the Retirement Systems Division is a part solely administers all aspects of the Contributory Death Benefit.

How will my beneficiary claim the benefit?

When the Division receives your Form 333, we will send you a Certificate of Coverage and further guidance for you and for your beneficiary on contacting the Division to claim the benefit. The certificate does not need to be presented to claim the benefit.

Guide C. Disclaimer

The availability and amount of all benefits that the retiree might be eligible to receive is governed by Retirement System law. The information provided in this guide cannot alter, modify, or otherwise change the controlling Retirement System law or other governing legal documents in any way, nor can any right

accrue to the retiree or beneficiary by reason of any information provided or omission of information provided herein. In the event of a conflict between this information and Retirement System law, Retirement System law governs.

These guides are subject to and governed by the General Statutes of the State of North Carolina.