

## Sample Letter to Survivor(s)

September 22, 2010

(Survivor name and address)

Dear (Survivor name),

On behalf of MN (agency name), please accept our deepest sympathies to you and your family on the loss of your (relationship), (employee's name). We know (employee's name) will be deeply missed.

We are writing you at this time, as resolution of benefits due upon (employee name)'s death requires information and action on your part. The survivor or personal representative must determine the appropriate documentation to establish the legal recipient before final payroll payments can be issued. Payments owed will be issued to the survivor or personal representative based on the documentation provided to the agency. We trust the information herein will be of assistance to you. If you do have questions as you begin to receive information and forms, please feel free to contact us directly for assistance.

### **Documentation Needed**

At the time of an employee death, all payments stop. Documentation needed before the agency can make any further payments, including wages owed for pay period ending (ppe date) may include:

- ✦ Death Certificate: A certified copy of the death certificate (which will be returned to you).
- ✦ Survivor's Affidavit
- ✦ Affidavit for Collection of Personal Property for Small Estates
- ✦ A copy of the court order detailing the designated personal representative, if the estate exceeds \$50,000. Please include Federal EIN if the recipient is a personal representative or SS# if the recipient is a surviving spouse or other survivor.
- ✦ Any documentation for reimbursable business expenses incurred by (employee name) prior to (his/her) death.

The affidavits are available on the Minnesota Management & Budget (MMB) Web site at:

<http://www.mmb.state.mn.us/payroll-forms>

### **Payments Pending** (only include items that pertain to this decedent's situation)

Upon receipt of the certified copy of the death certificate, an affidavit or court order as referenced above, outstanding payments may be processed as follows:

- **Wages Due** – (employee name)'s final paycheck was stopped when we learned of (his/her) death. The net wages due for any days worked in that pay period will be paid.
- **Vacation Liquidation** - 100% of (employee name)'s accrued but unused vacation leave will be paid at (his/her) rate of pay as of the date of death. The bargaining agreement or plan covering (employee name)'s appointment with the state specifies this payment will (either be in cash, or be directed to the employee's Health Care Savings Account).

- **Severance** - (Employee name)'s accrued but unused sick leave will be paid at (percentage and terms per bargaining agreement or compensation plan). The bargaining agreement or plan covering (employee name)'s appointment with the state specifies this payment will (either be in cash, or be directed to the employee's Health Care Savings Account).
- **Compensatory Time** - 100% of (employee name)'s accrued but unused compensatory time will be paid at (his/her) rate of pay as of the date of death.
- **Life insurance** - The Employee Insurance division of MMB has been notified of (employee name)'s death, and will take necessary actions to initiate payment of life insurance to the beneficiary on record. MMB will send forms directly to the beneficiary on record, and should be received within the next two (2) weeks. Based on information available to (agency), (employee name) has the following life insurance coverage:
  - Basic life insurance                   \$ ##,###.00
  - Additional life insurance           \$ ###,###.00

The information and forms mailed to the beneficiary on record will provide the exact amounts payable under the policies.

- **Pre-Tax Expense Accounts** - 100% of the pre-tax expense plan dollars contributed by (employee name) is available to reimburse expenses incurred through the date of (employee name)'s death. If you are a spouse or dependent beneficiary, you may have COBRA continuation rights to enable use of the contributed dollars for reimbursable expenses that occur for yourself even after that date.
- **Health Savings Account** - An HSA is a special tax-preferred trust or custodial account established under IRS Code Section 223 that is used to pay for current and future medical expenses. The money deposited into the HSA and earnings thereon are not taxable. The funds can be withdrawn from the account to cover qualified medical expenses tax-free. Unused balances roll over from year to year. If (employee name) designated you as a beneficiary, and:
  - You are (employee name)'s spouse, the account will be treated as your HSA after the (his/her) death.
  - You are not (employee name)'s spouse, the account stops being an HSA, and the fair market value of the HSA becomes taxable to the designated beneficiary.

## Retirement

(Agency) has notified the Minnesota State Retirement System (MSRS) (or PERA or TRA as appropriate) of (employee name)'s death. That agency will be sending information/forms directly to you regarding (employee name)'s retirement account. If you have questions, you can contact (include the appropriate contact information: MSRS at: 1-800-657-5757 or PERA at: 1-800-652-9026 or TRA at: 1-800.657.3669).

We realize this is a significant amount of information at a very stressful time for you. You do not have to take immediate action. If you take action to complete these items in the next 30 to 60 calendar days, that will be more than sufficient. If you have questions or need assistance, please do not hesitate to contact me directly at (your phone # -- e.g., XXX/XXX-XXXX).

Sincerely,

(Your Name)

(Your Title)

(Your agency contact information)