



Beneficiary Designation

Information for:
All Funds

An important aspect of membership in a New Jersey State-administered pension system is the payment of benefits to your named beneficiaries. Upon your death, the New Jersey Division of Pensions & Benefits (NJDPB) will pay death benefits to the last named beneficiary, or beneficiaries, on file with the NJDPB. It is, therefore, very important to keep your beneficiary information up to date.

You should consider updating your *Designation of Beneficiary* any time you experience a major life event such as marriage, civil union, divorce, dissolution of a civil union or domestic partnership, birth or adoption of a child, or the death of a spouse/partner, child, or parent.

Active members and retirees who are unsure of their beneficiary designations may obtain this information online using the Member Benefits Online System (MBOS). You can register with MBOS online at: www.nj.gov/treasury/pensions

It is important to recognize that MBOS is provided for member-use only. Use of MBOS by anyone other than the member will result in the NJDPB rendering the designation invalid, and reverting to the last acceptable designation or the Estate as the beneficiary designation of record.

In an effort to avoid any unauthorized attempts to change a member's designation just prior to death, the NJDPB may investigate beneficiary changes made under such circumstances.

If you wish to change your beneficiary designation, you can safely do so using MBOS. The new designations will become effective immediately.

ACTIVE MEMBERS

Paper *Designation of Beneficiary* forms are no longer accepted by the NJDPB for active members of the following retirement systems:

- Public Employees' Retirement System — PERS
- Police and Firemen's Retirement System — PFRS
- Teachers' Pension and Annuity Fund — TPAF
- State Police Retirement System — SPRS

Exceptions to Online Designations for Active Members

A paper form must be used by active members of the aforementioned systems under the following circumstances:

- An active member designates a beneficiary or beneficiaries to receive a specific dollar amount of the proceeds.

Active members may list a definite dollar amount for a beneficiary, but because the member's group life insurance fluctuates due to salary changes, a beneficiary must be named to receive the remaining balance.

Example: "Robert Smith, brother, \$10,000; Joseph Smith, son, the remaining balance."

- An active member's account is annotated due to a court order.

Please be advised that whenever the NJDPB has a court order on file for any member for any reason, that member is precluded from changing (or viewing) his or her beneficiary designation through his or her MBOS account; therefore, the paper *Designation of Beneficiary* form is the only way a change can be made.

- A power of attorney is acting on behalf of an active member.

In accordance with the New Jersey Administrative Code, you may choose to nominate someone to act as your power of attorney. However, the power of attorney document must specifically grant that person the right to change or update beneficiary information if you wish for them to have that power. Further, if you wish to give them the power to do so, it must specifically state that they may name themselves as beneficiary.

Paper forms that are received for any other type of designation will be returned to the member with instructions for submitting the designation through MBOS.

RETIRED MEMBERS

Retired members of PERS, TPAF, PFRS, and SPRS may change their beneficiary designation via MBOS. The NJDPB also accepts paper *Designation of Beneficiary* forms for retired members. A paper form must be used by retired members of the aforementioned systems under the following circumstances:

- A retired member designates beneficiaries to receive unequal percentages of the proceeds pay-

able. Percentages must add up to 100 percent.

Example: “Mary Smith, sister, 70%; Thomas Jones, brother, 15%; Robert Jones, brother, 15%” (70% + 15% + 15% = 100%).

Note: In the case of an unequal distribution, if a designated beneficiary predeceases you, the deceased beneficiary’s benefits will become payable to the remaining beneficiaries, in equal shares. In the example shown above, if Robert predeceased the member, Mary would receive 77.50 percent of the benefit and Thomas would receive 22.50 percent of the benefit.

- A retired member designates a beneficiary or beneficiaries to receive a specific dollar amount of the proceeds.

Retired members may list definite dollar amounts for their group life insurance beneficiaries since the retired group life insurance amount is established at the time of retirement and does not change. However, the total amount listed on your form must equal the exact amount of the retired group life insurance benefits.

Example: Betty Smith is a retired PERS member with a group life insurance benefit of \$4,732.50. An acceptable designation would be:

“Daniel Smith, son, \$3,000; David Smith, grandson, \$1,732.50.”

- A retired member’s account is annotated due to a court order.

Please be advised that whenever the NJDPB has a court order on file for any member for any reason, that member is precluded from changing (or viewing) his or her beneficiary designation through his or her MBOS account; therefore, the paper *Designation of Beneficiary* form is the only way a change can be made.

- A power of attorney is acting on behalf of a retired member.

In accordance with the New Jersey Administrative Code, you may choose to nominate someone to act as your power of attorney. However, the power of attorney document must specifically grant that person the right to change or update beneficiary information if you wish for them to have that power. Further, if you wish to give them the power to do so, it must specifically state that they may name themselves as beneficiary.

DIVORCE & COURT ORDER MATTERS

The designation you provide will replace all beneficiary designations previously on file. However, be advised that the NJDPB has the responsibility to deny changes to beneficiary designations that may violate a court order. If a court order exists, you may be required to furnish further documentation to the NJDPB to determine whether or not we can accept your *Designation of Beneficiary* form.

Further, please be advised that upon the passing of a New Jersey State-administered retirement system member who is divorced, a copy of that member’s Final Judgment of Divorce including Property Settlement Agreement may be required before any claim can be paid to determine if any stipulations exist pertaining to that member’s New Jersey State-administered retirement system group life insurance benefit. If such stipulations do exist, the designation on file may be affected.

ALL BENEFICIARIES MUST BE SPECIFICALLY NAMED

The NJDPB will not accept any designation from a member that instructs us to issue payment to an unspecified beneficiary (e.g., “my children,” “my grandchildren,” etc.). This includes designations that instruct us to issue payment on a per stirpes basis.

When you submit the *Designation of Beneficiary*, you name beneficiaries for both your group life insurance benefits and the return of your pension contributions.

You may name any person, organization, your estate, or trust as beneficiary. You may change your designation at any time by submitting a new *Designation of Beneficiary*.

Note: Retirees should refer to the member guidebook for their pension system for more information on pension beneficiaries.

NOMINATING A TRUST AS BENEFICIARY

You may choose to designate an established trust to receive the group life insurance and/or pension benefit (if applicable). **Please be advised the NJDPB does not recognize informal trust agreements.**

A **formal trust** is established through legal documents filed with your county court that designates a person or persons as “Trustee.” If you elect to designate a formal trust, you **must** provide the name and date of incorporation of the trust. You need not provide a copy of the trust when you designate the trust, but upon your death, we will request a copy from the trustee.

A **testamentary trust** is established through provisions in your Last Will and Testament. Your will must be probated and the Surrogate Court must issue documents establishing the trustee and the trust.

In limited circumstances, a **special needs trust** can be designated as a survivor option.

Note: The person(s) you designate as trustee(s) will assume all rights and privileges to the benefits that are paid; the NJDPB will not be held responsible for any mishandling of the benefits.

NOMINATING A MINOR AS BENEFICIARY

If you name a minor as beneficiary for the group life insurance and/or pension benefit, the NJDPB will withhold payment until one of the following occurs:

- The minor attains age 18 (funds can be held until the minor is emancipated); or

- A court-ordered guardian of the property of the minor is appointed by the courts and proof of this is forwarded to the NJDPB, in which case the benefits will be paid to the guardian on the minor's behalf and/or the court (according to the court document).

You may alternatively choose to leave the group life insurance and/or pension benefit to a trust established on behalf of a minor.

FOR MORE INFORMATION

If you have questions about your *Designation of Beneficiary*:

- Write to: New Jersey Division of Pensions & Benefits, P.O. Box 295, Trenton, NJ 08625-0295
- Send an email to: pensions.nj@treas.nj.gov
- Call the NJDPB Office of Client Services at: (609) 292-7524.

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For the hearing impaired: TRS 711 (609) 292-6683
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