

# State Police Retirement System Death Benefits

State Police Retirement System

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## INTRODUCTION

Upon your death as an active or retired member of the State Police Retirement System (SPRS), two benefits are payable. A monthly pension to a specific family member(s) and group life insurance.

The terms used in the explanation of SPRS death benefits are defined below.

**“Spouse”** — A person to whom you were married on the date of your death and to whom you continued to be married until the date of your death. A photocopy of the *Marriage Certificate* is required for verification.

**“Civil Union Partner”** — A person of the same sex as defined by Chapter 103, P.L. 2006, with whom you were partnered in a civil union until the date of your death. A photocopy of the *New Jersey Civil Union Certificate*, or a valid certification from another jurisdiction that recognizes same-sex civil unions, is required for verification (see Fact Sheet #75, *Civil Unions*, for details).

**“Domestic Partner”** — A person of the same sex as defined by Chapter 246, P.L. 2003, with whom you were partnered in a domestic partnership until the date of your death. A photocopy of the *New Jersey Certificate of Domestic Partnership* dated prior to February 19, 2007, or a valid certification from another jurisdiction that recognizes same-sex domestic partners, is required for verification (see Fact Sheet #71, *Benefits Under the Domestic Partnership Act*, for details).

**“Child”** — Your unmarried child:

- Under the age of 18; or
- 18 years of age or older and enrolled in high school;
- Any age, who at the time of your death, is disabled because of mental or physical incapacity and is incapable of substantial gainful employment because of the impairment. This incapacity must last or be expected to last for a continuous period of not less than 12 months as determined by the Medical Review Board; or
- For an Accidental Death Benefit (see page 5), a “child” may also mean an unmarried child under the age of 24 who is enrolled in college in a degree program for at least 12 hours per semester.

**“Parent”** — Your parent who was receiving at least one-half support from you in the 12 months immediately preceding your death (or the accident which led to your death in cases of an Accidental Death Benefit). The dependency of the parent will be considered terminated if he or she remarries after the death of the member.

**“Final Compensation”** — For a SPRS **Tier 1 member** enrolled *on or before* May 21, 2010, Final Compensation means the salary upon which pension contributions were based in the last 12 months of creditable service preceding your retirement or your death as an active member.

For a SPRS **Tier 2 member** enrolled *after* May 21, 2010, Final Compensation means the *average* salary upon which pension contributions were based for any **three fiscal years** of membership preceding your retirement or your death as an active member, that provides the largest possible benefit.

**PAYMENT OF PENSION TO A SURVIVING FAMILY MEMBER****Active Member**

Upon your death as an active member, your surviving spouse, civil union partner, or eligible domestic partner is eligible to receive a pension benefit equal to 50 percent of your Final Compensation.

If there is no surviving spouse or partner, the following benefit is payable to your eligible children:

- 50 percent of Final Compensation to three or more eligible children;
- 35 percent of Final Compensation to two eligible children; or
- 20 percent of Final Compensation to one eligible child.

If there is no surviving spouse, partner, or children, a pension is paid to your eligible parents as follows:

- 25 percent of Final Compensation to one parent; or
- 40 percent of Final Compensation to two parents.

If there is no surviving spouse, partner, children, or parent, the employee contributions are paid to your beneficiary.

**Retired Member**

Upon your death as a retired member, your surviving spouse, civil union partner, or eligible domestic partner is eligible to receive a pension benefit equal to 50 percent of your Final Compensation.

If there is no surviving spouse or partner, the following benefit is payable to your eligible children:

- 50 percent of Final Compensation to three or more eligible children;
- 35 percent of Final Compensation to two eligible children; or
- 20 percent of Final Compensation to one eligible child.

A surviving spouse, civil union partner, or eligible domestic partner may continue health coverage through the SHBP as long as he or she was listed as a dependent at the time of death. It will be the survivor's responsibility to pay for the cost of the coverage.

**GROUP LIFE INSURANCE BENEFITS**

The State pays the cost of your group life insurance coverage. Group life insurance is provided through policies issued by the insurance carrier (Prudential Group Life Insurance). When you first enroll in the SPRS you receive an individual certificate from the Division of Pensions and Benefits which you should keep with your important papers.

**ACTIVE COVERAGE**

If your death occurs **in active service** before retirement and is not the result of an accident in the performance of your regular assigned job duties (see **Accidental Death** on page 5), your named beneficiary (or estate where there is no named beneficiary) will receive a death benefit equal to 3 1/2 times your Final Compensation.

- If you die during the first year of creditable service, the benefit will be computed at the annual rate of contribution.

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**Waiver of Coverage**

Life insurance coverage above \$50,000 provided through employment may be subject to federal and state taxes. Members of the SPRS may elect to waive noncontributory group life insurance benefits in excess of \$50,000.

- If you waive your group life insurance coverage over \$50,000, your death benefit would be limited to \$50,000.

For more information see Fact Sheet #22, *Waiver of Noncontributory Group Life Insurance over \$50,000*.

**Beneficiaries of Active Members**

If you are unsure of your beneficiary designations, you may obtain this information using the **Member Benefits Online System (MBOS)**. You must be registered to use MBOS at:

[www.nj.gov/treasury/pensions/mbosregister.shtml](http://www.nj.gov/treasury/pensions/mbosregister.shtml)

If you are unable to access MBOS you can make a request in writing for the names of the beneficiaries on file with the Division of Pensions and Benefits. When writing be sure to include your name, SPRS membership number or Social Security number, and your signature.

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

**RETIRED COVERAGE**

If you die **after retirement**, your named beneficiary (or estate where there is no named beneficiary) will receive group life insurance equal to 1/2 of your Final Compensation.

If you retire on a Disability Retirement, the amount will be equal to 3 1/2 times your Final Compensation until age 55, when it will be reduced to 1/2 of Final Compensation.

Life insurance is in force after retirement only if you retired with **10 or more years** of pension membership credit **or** retired on a disability retirement.

**Beneficiaries of Retirees**

Retirees can access their beneficiary information through MBOS. You can also make a request in writing for the names of the beneficiaries on file. Write to the Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 and be sure to include your name, retirement number or Social Security number, and your signature.

To change beneficiaries, retired members can do so through MBOS, or can submit a *Designation of Beneficiary* form which is available on the Division's Web site at [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions) or from the Office of Client Services at (609) 292-7524.

**PAYMENT OF GROUP LIFE INSURANCE**

Group life insurance benefits for active members can be paid in one of several ways (group life insurance for retirees **must** be paid in a lump sum).

The options are:

- **Lump Sum** — A single payment to your beneficiary.

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- **Annuity Certain** — Equal installments over a selected period of years.
- **Life Annuity** — Paid monthly to your beneficiary for life.

Death benefits cannot be paid until all the necessary information and claim forms have been received from your beneficiary by the Division of Pensions and Benefits.

To report a death, contact the Office of Client Services at (609) 292-7524.

**LIFE INSURANCE ON LEAVE OF ABSENCE**

Your group life insurance coverage will continue in full force for an official leave of absence without pay under the following conditions:

- Up to two years while on an official leave of absence for personal illness.
- Up to one year while on an official leave to fulfill a residency requirement for an advanced degree or as a full-time student at an institution of higher education.
- Up to 93 days while on an official leave for personal reasons.

A member who has been suspended without pay is covered for group life insurance during the period of suspension.

**CONVERSION OF GROUP LIFE INSURANCE****Upon Termination or Leave of Absence**

If you terminate employment before retirement — or if your insured status while on a leave of absence expires — you will continue to be covered under group life insurance for the following 31 days. During that period you may convert your group life insurance, without medical examination, to an individual policy with Prudential. You may select any type of individual policy customarily offered by Prudential *except* term life insurance or a policy containing disability benefits. The premiums will be the same as you would pay if you were applying for a private policy at your current age.

**Example:** If your compensation in the 12 months prior to your termination or leave of absence was \$30,000, your death benefit would be \$105,000 ( $3\frac{1}{2} \times \$30,000$ ). If you decide to convert your coverage, you could purchase up to \$105,000 worth of life insurance.

**At Retirement**

When you retire, your group life insurance will be reduced (see page 3). Within the 31-day period following your termination of employment, you may convert the difference between the amount of life insurance you had before you retired and the reduced amount in effect at retirement to an individual policy.

**Example:** If the base salary you earned in the twelve months prior to retirement was \$30,000, your total death benefit as an active member would be \$105,000 ( $3\frac{1}{2} \times \$30,000$ ). Once you retire, that benefit would be reduced to \$15,000. If you decide to convert your coverage, you could purchase up to \$90,000 ( $\$105,000 - \$15,000$ ) worth of life insurance.

To initiate a conversion, contact any Prudential Insurance agent or call 1-800-524-0542; if you live in New Jersey, call 1-800-262-1112. You will need to provide the group insurance policy number (G14800) and your individual certificate number (your SPRS membership number). If you do not convert your group life insurance by the end of the 31-day period, your active coverage will terminate.

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**ACCIDENTAL DEATH BENEFITS**

If you die as a result of an accident during the performance of your regular or assigned duties, and your death is not a result of your willful negligence, your survivors are entitled to special Accidental Death benefits. A report of Accidental Death must be filed with the Division of Pensions and Benefits within 60 days of the accident. In order for a survivor to claim benefits, an *Application for Accidental Death Benefits* must be filed with the Division of Pensions and Benefits within five years of the date of your death.

In the case of Accidental Death, your eligible surviving spouse or partner is paid an annual pension equal to 70 percent of your Final Compensation (or, if appropriate, Adjusted Final Compensation in accordance with N.J.S.A. 53:5A-14), in addition to employer-paid health benefits.

Accidental death benefits are a lifetime benefit to your surviving spouse or partner, in addition to any group life insurance benefits which may be payable.

If there is no eligible surviving spouse or partner or your spouse or partner dies, a pension will be paid to your eligible dependent children, in equal shares, in the amount of 70 percent of your Final Compensation (or Adjusted Final Compensation, if appropriate).

This benefit also applies to your child of any age who is mentally or physically disabled and incapable of gainful employment due to this impairment. This condition must be expected to last for not less than 12 months as determined by the SPRS Medical Review Board.

If there is no eligible surviving spouse, partner, or children, a pension will be paid to an eligible surviving parent as follows:

- 25 percent of Final Compensation to one eligible parent; or
- 40 percent of Final Compensation to two eligible parents.

If a parent remarries, the benefit ceases.

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