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TO:

STATE AGENCIES AND AGRICULTURAL DISTRICTS

SUBJECT: SPECIAL BENEFICIARY DESIGNATION (STD-241S) FOR ACTIVE MEMBERS WHO ARE ELIGIBLE FOR SERVICE RETIREMENT OR FOR PAYMENT OF THE ALTERNATE DEATH BENEFIT

This is to inform you that a *married* member who is eligible for service retirement (age 50 with at least 5 years of service credit for first tier members or age 55 with at least 10 years of service credit for second tier members) or who is under age 50 (first tier) or 55 (second tier) with at least 20 years of state service credit, may now name someone other than their spouse to receive a portion of the lump sum Basic Death Benefit.

In the past, upon the death of an active member who met either of the above requirements for a monthly death benefit, his/her surviving spouse was provided a choice of a monthly allowance or the lump sum Basic Death Benefit regardless of any designation that may have been on file with CalPERS. Now, if a member files a "Special Beneficiary Designation" naming a non-spouse beneficiary it will be honored. A surviving spouse will still receive the choice of a monthly allowance or the lump sum Basic Death Benefit; however, the benefit will be based only on the spouse's community property interest. The designated beneficiary would then receive the portion of the lump sum Basic Death Benefit that is not subject to community property. (The \$5,000.00 Group Term Life Insurance is not subject to community property. Therefore, it would be payable to the designated beneficiary.)

The only instance the beneficiary designation would not be honored is if a member's death is determined to be industrial. Special death benefits are then payable to the member's surviving spouse as required by law even if the member filed a designation with CalPERS naming someone else as their beneficiary.

To comply with this new law, CalPERS has developed the "Special Beneficiary Designation form (STD-241S)". **This form should only be completed by married members who are eligible for service retirement or who are under age 50 (first tier) or under age 55 (second tier) and have at least 20 years of service credit and wish to designate someone other than their spouse as beneficiary for a portion of the lump sum Basic Death Benefit that would otherwise be automatically paid to their surviving spouse. (The spouse's signature is required on the STD-241S.) If the member would like their spouse to receive the entire benefit, no form is necessary.**

To order a supply of the Special CalPERS Beneficiary Designation form (STD-241S) call 1-916-658-1493.

Members who do not meet the requirements for a monthly death benefit should continue to complete the Beneficiary Designation (CalPERS) STD-241, if they wish to designate a beneficiary other than the statutory beneficiary(ies) provided by the retirement law. However, these members should keep in mind that in the future when they meet the requirements for a monthly death benefit, they will need to file a Special Beneficiary Designation form, STD-241S, if they wish to name someone other than their spouse as beneficiary.

If you have any questions regarding the Special Beneficiary Designation form STD-241S or when it should be completed, please contact (800) 352-2238.

Chris Nishioka, Chief
Benefit Services Division