

When D Comes Before C

D usually comes after C – except in retirement.

Most members are aware of the options available to them when they retire, Option A, Option B, or Option C. Few members, however, are aware of Option D, the member survivor allowance. Option D is actually not a retirement option for the member, but it does provide for a lifetime benefit for the member's beneficiary. It is only activated in the event the member dies while still employed for the Commonwealth (active service). This is the option members of the State Employees' Retirement System hope never to activate!

Option D is an optional benefit under M.G.L. c. 32 §12(2). It provides for a lifetime monthly allowance for the member's beneficiary. The monthly allowance is equal to the full Option C allowance the member would have received had they retired on the date of their death. A member must have at least two years of creditable service with the Commonwealth and if they are not yet 55, the allowance will be calculated as if the member were 55 at the time of their death.

As mentioned above, this is an optional benefit. In fact, the form is not needed if a member is married. When a married member dies while still in active service their spouse is automatically given two options to choose from. One option is to receive the member's annuity as a lump sum distribution by either getting a direct refund or rolling it over into an eligible account. The other option is to receive the Option D survivor allowance, which could possibly be more beneficial to them over time.

An eligible beneficiary other than the member's current spouse will not have as many options available to them unless

the member fills out and files an Option D form with the Board. If a member would like to offer this optional benefit to a beneficiary that is not their spouse, the Option D form is required. Eligible beneficiaries include a child, parent, sister, brother, or unmarried former spouse.

If you have beneficiaries on file with the Board that are not your current spouse but have not filed an Option D form, they will not be eligible for the survivor allowance. Also, only one person can be named as an Option D beneficiary. Multiple beneficiaries are only eligible for a lump sum distribution of your annuity provided there is no Option D beneficiary on file. The form is available on our website at www.mass.gov/treasury/forms/ret/OptionD.pdf

The Option D beneficiary can be changed or canceled at any time by sending a request in writing to the Board. Once a member retires, the Option D form on file with the Board becomes void and the retirement option chosen by the member goes into effect – either Option A, B, or C – because in this case D came before A, B, and C. ■

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