



Employee Benefits Handout

Survivor Elections for Married and Unmarried Employees



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Survivor Elections and Benefits

Employees who are retiring will normally decide and elect survivor benefits at the time of retirement upon completion of their retirement application. Survivor benefits may be payable to a current or former spouse or combination. The election or non-election of survivor benefits may have an impact on other benefits such as health insurance for a widow/widower, and life insurance for the surviving spouse.

Survivor Elections Available to Married Employees

A current spouse is eligible to receive a survivor annuity upon your death *if he/she meets* the eligibility requirements. The eligibility requirements are:

- You must have been married for *at least* 9 months
- A child was born of the marriage
- If married less than 9 months and the death of the employee was accidental.

Civil Service Retirement System (CSRS)

The election types available under CSRS at retirement are:

- **Full survivor annuity** for the current spouse (maximum -- 55% of *base annuity)
- **Partial survivor annuity** for the current spouse (55% of elected base annuity up to the full base annuity) – must receive spouse’s consent
- **No survivor annuity** – must receive spouse’s consent
- **Insurable interest survivor** annuity for:
 - current spouse if a survivor annuity has been awarded by a qualifying court order to a former spouse
 - an individual such as a fiancée or relative closer than a first cousin
 - former spouse
 - common-law spouse
- **Voluntary election** of a former spouse annuity or combination former/current spouse – must receive spouse’s consent. The maximum possible combined total of all current and former spouse survivor annuities equals 55% of the rate of a self-only annuity under CSRS.

There are certain things to consider when making your election which include:

- Your spouse's future retirement benefits based on his or her own employment
- Other sources of income
- Whether other sources of income are protected against inflation with Cost-of-Living Adjustments

- Your spouse's need for continued coverage under the Federal Employees Health Benefit Program
- The eligibility to enroll in the Federal Long Term Care Program if not already enrolled

*Base annuity is defined as the amount of annuity after the applicable reductions for age (retiring early before age 55) and/or unpaid deposit service (temporary employment) performed prior to October 1, 1982.

Example—Full Survivor Annuity Election

- Assume your base annuity is \$30,000
- Full survivor annuity = 55% of the base annuity
- Survivor Annuity Reduction = 2.5% x first \$3,600 plus 10% of the remaining amount elected as the base

$$2.5\% \text{ of } \$3,600 = \$90$$

$$10\% \text{ of } \$26,400 (\$30,000 - \$3,600) = \$2,640$$

$$\text{Total Reduction} = \$2,730 (\$2,640 + 90)$$

$$\text{Annuity reduced for survivor benefit} = \$30,000 - \$2,370 = \$27,270$$

Annuity after reduction for survivor benefit = \$27,270 annually or \$2,272 monthly

Survivor benefit = 55% of \$30,000 = \$16,500 annually or \$1,375 monthly

Example -- Less Than Maximum Survivor Election

Assume your base annuity is \$30,000 with an election of 55% of the base amount – you elect \$4,000 as the base.

$$\text{Reduction} - 2.5\% \text{ of } \$3,600 = \$90$$

$$\$4,000 \text{ base} - \$3,600 = \$400$$

$$10\% \text{ of } \$400 = \$40$$

$$\text{Total Reduction} = \$90.00 + \$40.00 = \$130$$

Annuity after reduction	$\$30,000 - \$130 = \$29,870$ annually (\$2,489 a month)
Survivor benefit	55% of \$4,000 = \$2,200 annually (\$183 a month)

A **former spouse** is eligible to receive a survivor annuity if the following are met:

- Former spouse was married to you *at least* 9 months
- There is a valid court order requiring you to provide a former spouse survivor annuity or you voluntarily elect a former spouse survivor annuity (must receive your current spouse's consent for voluntary elections to former spouses).

This benefit does not begin until after the death of the employee or annuitant. A former spouse's survivor annuity is computed in the same way as a current spouse survivor annuity. A divorce, legal separation, or an annulment court order may require that an employee or retiree provide a survivor annuity for a former spouse. If benefits are based on court orders, then employees, retirees or former spouses should send certified copies of the court orders to:

***U. S. Office of Personnel Management
Retirement Services Program
Court-Order Benefits Branch
Post Office Box 17
Washington, DC 20044-0017***

A court ordered survivor benefit is not an "elected" survivor benefit. Employees should **make an election at retirement** to provide a current or former spouse survivor annuity as if the court order does not exist. You may elect the maximum survivor benefit for the current spouse to **protect the spouse's rights** to a contingent benefit in case the former spouse loses entitlement to the court-ordered benefits in the future.

If the court orders *less* than the maximum survivor benefit to a former spouse, then you may elect the difference between the court-ordered benefit up to the maximum allowable. You may also elect an insurable interest for your current spouse; however, you and your spouse must waive the current spouse survivor annuity.

Survivor Elections Available to Unmarried Employees

If you are unmarried at the time of retirement, your survivor benefit options are as follows:

- No survivor benefit
- Insurable interest survivor annuity

- Full or partial survivor annuity for a former spouse (required by the court or voluntarily elected by you)
- Combination insurable interest/former spouse survivor annuity

Survivor Elections Available After Retirement

If you are **unmarried at retirement**, you *may* elect within 2 years after the marriage a reduced annuity to provide a current spouse survivor annuity for the spouse. The reduction in your monthly annuity is effective no earlier than the first of the month beginning 9 months after the date of marriage.

If you are **married at retirement** and the marriage ends, you can elect within 2 years after a remarriage a reduced annuity to provide a current spouse survivor annuity for the new spouse. The reduction in your monthly annuity is effective no earlier than the first of the month beginning 9 months after the date of marriage.

If an election is made after retirement, you **must** pay a deposit equal to the difference between the amount of annuity actually paid and the amount of annuity that would have been paid if the survivor election had been in effect continuously since the time of retirement or since the date the reduction terminated, whichever is applicable. Interest is assessed against the amount owed compounded annually. This deposit is paid by a permanent actuarial reduction.

Note: If you remarry the same person that you were previously married to at the time of retirement and that spouse had previously consented to an election of less than the maximum survivor annuity, you **may not** later elect to provide a greater survivor annuity for that person upon remarriage.

Federal Employees Retirement System (FERS)

Retiring employees covered under FERS may make one of three types of spousal survivor benefit elections:

- Self Only (No survivor benefits)
- One half reduced annuity
- Full reduced annuity

Under FERS, a married retiring employee will receive a reduced annuity to provide maximum survivor benefits to a current spouse *unless* the spouse consents to an election to not provide full benefits.

Maximum survivor benefit payable is 50% of your unreduced annual benefit.

One half maximum survivor benefits is 25% of your unreduced annual basic annuity. However, if you elect to provide a survivor annuity that is less than the maximum amount, then your spouse's **consent** is required.

If you are married when you retire and you chose **not** to provide a spousal survivor benefit, you must obtain your spouse's consent to the election. The consent form, which is part of the retirement application must be completed before a notary public or other official authorized to take oaths.

Former Spouse is a living person who was married for *at least* 9 months to the retiree with *at least* 18 months of creditable civilian service or whose marriage was terminated prior to the death of the employee or retiree.

Benefits Impacted by Survivor Election Options

Federal Employees Health Benefits (FEHB)

Spouses of retiring Federal employees are often unaware that there are two requirements to **continue** coverage under the Federal Employees Health Benefits (FEHB) Program if the retiree dies. The spouse must:

- Be eligible for a survivor annuity under a qualifying civilian retirement system for Federal employees
- Be covered under the retiree's FEHB self plus one or family enrollment at the time the retiree dies

Spouses must consent in writing if an employee retiring under the Civil Service Retirement System (**CSRS**) or the Federal Employees Retirement System (**FERS**) elects to provide no survivor annuity.

However, the consent form does not inform the spouse that he/she must be eligible for a survivor annuity to continue FEHB coverage. It is especially important that the spouse be alerted at the time he/she **consents to an election of no survivor annuity**.

Employees retiring under **FERS** are alerted by section D (3) of the current SF 3107, Application for Immediate Retirement.

For employees retiring under **CSRS**, there is an attachment to the Spouse's Consent to Survivor Election (SF 2801-2) that agencies may use to inform spouses of the under CSRS it's optional to notify spouse for FEHB in event of no survivor annuity effect an election of no survivor annuity will have on his/her eligibility to continue FEHB coverage.

Federal Long Term Care Insurance Program (FLTCIP)

Spouses of a Federal employee or retiree receiving a survivor annuity can apply for FLTCIP.

Exception: If spouse enrolls while the employee or retiree is alive, the spouse can keep FLTCIP coverage as long as premiums are paid (even if no survivor annuity is elected).