



NEW JERSEY STATE FMBA

SURVIVOR INFORMATION BULLETIN

RETAIN AND KEEP IN A SAFE PLACE

PREAMBLE

REMEMBER THAT YOUR ACTIVE AND RETIRED ASSOCIATIONS ARE CONSTANTLY STRIVING FOR IMPROVED WORKING, PENSION AND RETIREMENT BENEFITS AND THAT CONTRACTUAL AND LEGISLATIVE EXACTMENTS AND AMENDMENTS AS WELL AS ADMINISTRATIVE AND CASE LAW MAY AFFECT FUTURE BENEFITS FROM TIME TO TIME.

OUR UNITED EFFORTS ARE REQUIRED, NOT ONLY TO PROTECT PRESENT BENEFITS BUT TO BE AWARE OF THE EVER-CHANGING ECONOMIC AND POLITICAL CLIMATE IN ORDER TO BRING ABOUT NECESSARY IMPROVEMENTS.

Disclaimer:

The information listed therein is believed to be accurate as of this printing, and that there is no guarantee of any benefits being made by your local or the FMBA. All information given must be confirmed with the applicable agency (Division of Pensions, Social Security Agency, NJ State Firemen's Assoc., employing agency, local bargaining unit, etc.) at the time of claim.

REMINDER IN CASE OF RETIREES DEATH

The list of Reminders is provided to our members in order that they may alert their spouses and/or members of their family about procedures to be followed in the event of their death. These reminders will apply to some extent to members of all of the Pension Systems, i.e. the Consolidated Police and Firemen's Pension Fund (1920 Act), the Police and Firemen's Retirement System (1944 Act) and to those who are members of the Public Employees Retirement System classified as Law Enforcement Officers.

NOTIFICATIONS

These should be made as soon as possible upon the demise of a member. (There may be certain financial benefits or services available to the surviving spouse and/or for dependant children.)

Notify Division of Pensions and Benefits, Client Services Section — 1 (609) 292-7524

Notify the Employing Agency from which the member retired.

Notify the Office of your local.

Notify any Veteran, Fraternal, Benevolent, Religious, Social or Civic organization with which the deceased was affiliated.

Notify your Local Relief Association Official to have the paperwork filed for the death benefit if the member is qualified. For a fully qualified member the death benefit is \$9,300 for funeral expenses.

For other questions regarding the death benefit call the NJ State Firemen's Association at 908-620-1870

When making these notifications have the following information ready:

Date of Death

Name and Address of Funeral Home

Dates and Hours of Visitation and Funeral Service

Date and place of Interment

SOCIAL SECURITY

Give the Funeral Director the deceased's Social Security Number for available death benefits. Surviving spouse may qualify for Survivor and other benefits. Make a claim with the local Social Security Office. 1 800 772-1213

VETERAN

Give the Funeral Director the veteran's Service Serial Number and Branch of Service and any other information available, particularly if the Veteran was receiving any disability payments.

There are limited Veteran's benefits available, including burial expenses, headstone, and others. If the deceased was a member of a Veteran's Organization, contact their Service Officer for full details on how to obtain these benefits.

PENSION CHECK

If the last pension check was not personally endorsed before the death of a member of any of the Pension Funds, it must be returned to the Division of Pensions. The surviving spouse will receive a pension check for that month for the amount of the deceased's pension. The survivor's checks will begin as of the following month but if delayed, the benefit will be adjusted back to the date of member's death.

DEATH AND PENSION BENEFIT FORMS

When a retired member of the Police and Firemen's Retirement System dies, the family or survivors should notify the Division of Pensions and Benefits at (609) 292-7524 and provide the following information:

- The full name of the deceased;
- The deceased's Social Security, pension membership or retirement number;
- The date of death; and
- The name, mailing address, and telephone number of the person handling the deceased's affairs.

Forms for Benefits due to a surviving spouse or eligible beneficiary of a Deceased Retiree can only be obtained from the:

State of New Jersey
Division of Pensions and Benefits
PO Box 295
Trenton, New Jersey 08625-0295
Telephone No. (609) 292-7524

Once a member's death is reported, the Division reviews the member's account to determine what benefits, if any, are due. The Division informs the named beneficiary or beneficiaries by letter of the benefits payable and sends the necessary claim form.

The processing time for paying a claim depends entirely upon when the Division receives the following items from the beneficiary:

- A certified death certificate; a photocopy is not acceptable;
- Copy of your marriage certificate;
- All claim forms, properly completed; and,

Any un-cashed pension checks sent to a deceased retiree (any monies due will be reissued to the beneficiaries or the estate)

These are essential documents and processing will not take place without them as well as proper completion of other required forms. Certain forms must be signed by the claimant and notarized before submission. (To avoid delays please check for accuracy, signatures and required notarization.)

DEATH CERTIFICATES

Death Certificates are provided by the Funeral Director for a fee. Be certain to obtain a sufficient quantity of them at the outset. A Certified Death Certificate will be needed for each and every claim that is made for any benefit, insurance claim, bank account, investment account, or other claims. A Death Certificate will be necessary even though accounts were in both names of the deceased and the surviving spouse or other beneficiary. (Certificates are also available from the Local Register of Vital Statistics.)

HEALTH BENEFITS

Check Medicare coverage and other Health Insurance for final hospital and doctor's bills. Check with Health Insurance Company that covered the deceased and with the former employing agency to determine the extent of coverage for the surviving spouse and dependants. This is extremely important. Each employing agency has different agreements. Some employers pay all or part of the premium for retirees and dependants. Some do not.

Coverage under COBRA may extend to 36 months. A surviving spouse and/or other dependants may be left with no health insurance coverage, or the coverage may extend for only a limited period of time. Check with other retirees from your agency. If the deceased was covered under the State Health Plan, the surviving spouse and/or dependants may be able to continue in that plan. Check this with the Division of Pensions and Benefits as soon as possible as there may be cut-off periods.

If the member was retired at the time of death and was covering eligible dependants under the State Health Benefits Program (SHBP), the eligible dependants receive an information packet with instructions on continuing coverage under SHBP. The premium, if any, will be deducted from the pension check. If the member had health insurance paid through employer, the spouse must contact the former employer about continuing coverage.

SURVIVOR PENSION BENEFITS

Upon the death of a retired member, a surviving spouse is eligible to receive a pension benefit equal to 50 percent (50%) of the member's final compensation (last 12 months of salary paid to the member while active service), plus 15 percent (15%) of your Final ~Compensation for one child or 25 percent (25%) of your final compensation for two or more children.

“Spouse” means a person to whom you are legally married. (There is no length of marriage requirement.)

“Child” means your unmarried child:

- Under the age of 18; or
- 18 years of age or older and enrolled in high school, or
- Of 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 PFRS Medical Review Board.

The Pension Adjustment Program provided a cost-of-living adjustment (or COLA) to the surviving spouse. The spouse will receive the pension benefit, as outlined above, plus COLA based upon the member's year of retirement. See <http://www.state.ni.us/treasury/pensions/colachart.htm> for COLA increases. The present COLA adjustment is 60% of the consumer price index, and pertains to all State Pension Systems. Survivor COLA Benefits are pro-rated.

LIFE INSURANCE

In addition to a monthly pension benefit, the surviving spouse may be entitled to a life insurance benefit if they are the named beneficiary. The beneficiary will receive group life insurance equal to 1/2 of the member's final compensation.

If the member retired on a Disability Retirement, the amount will be equal to 3 1/2 times final compensation until age 55, when it will be reduced to 1/2 of final compensation.

Group life insurance is in effect only if the member had group life insurance coverage while active membership and retired with at least 10 years of pension membership credit or on a disability retirement. For more information on survivor benefits, each retirement system has a member handbook that explains the benefits in detail. The handbooks for all New Jersey State-administered retirement systems can be found at: www.state.ni.us/treasury/pensions

FEDERAL AND STATE INCOME TAX

The surviving spouse, if a joint return, or the estate, is entitled to the personal exemption for the full year in which death occurred. Non-residents are exempt from N.J. Income Tax on Pensions. Residents, age 62 or older are permitted exclusion of all, or a part of income received during the year from the taxable pensions, annuities and IRA withdrawals. Be sure to check your status in the Instructions on the New Jersey Income Tax Return bulletin or speak to your Tax Preparer before claiming this benefit.

Notice: To surviving spouses and/or dependents: If the deceased was retired on Accidental Disability Pension, this Pension, when properly reported, could have been exempt from Federal Tax liability. Survivors are entitled to the same exemption. Your accountant may not be aware of the procedure necessary to obtain this exemption.

CHECK FOR THESE ITEMS CAREFULLY

- Wills that may have been executed by the deceased.
- Banks which may have accounts with the deceased.
- Insurance Policies for Life Insurance Benefits.
- Insurance Policies for Accidental Death Benefits.
- Investment Accounts at Brokerage houses or banks for securities held for the deceased.
- Stocks and or Bonds held by the deceased.
- Real Estate or other property owned by the deceased.
- Check into continuation of the \$250.00 Veteran's Property Tax Deduction if the deceased was a Veteran and owned Real Estate in New Jersey.
- Check for Safety Deposit Boxes, obtain waivers to examine the contents, and examine the contents carefully to determine how they should be handled.

Note: All property owned by the deceased may pass to a surviving spouse without any tax obligation at both the Federal and State of New Jersey levels. If the decedent lived out of the State of New Jersey, check into the laws of the State in which the deceased resided for accurate information.

WARNING TO SURVIVING SPOUSES

You may be extremely vulnerable for the period immediately following the death of a loved one. This is a very difficult time of life and you may not be thinking as clearly as you would under ordinary circumstances. There are persons who prey upon the sorrows and difficulties of grieving families. Therefore, you are urged to be careful in your dealings with other persons, particularly strangers, who may approach you with some deal involving finances or other money matters. ***No matter how good the deal sounds, wait until you have recovered your balance before conducting any business.***

Do not make hasty decisions. Give yourself time to consider all angles before making a decision that you may later regret. Do not be in a hurry to sell your house, or otherwise

change your residence until you have a chance to make such a decision without the emotional interference of the immediate present.

The following are some examples of swindles that have been used on recently widowed persons:

- Attempts to collect a fictitious debt. Money that the deceased never owed.
 - Delivery and attempt to collect payment for merchandise that was never ordered.
 - Attempts to collect a final premium on a non-existent Life Insurance Policy before any benefits can be paid
 - Attempts to collect a final payment for some valuable item or other goods (usually never ordered) that require a final payment before delivery can be made.
 - Phony Security salesmen promoting securities that the deceased was allegedly interested in.
- Try to have a family member, good neighbor or a good friend remain at the house while attending to funeral matters.

CHANGE OF ADDRESS

Notify the Division of Pension and Benefits promptly upon a change in your address. CALL (609) 292-MOVE that's (609) 292-6683 weekdays between 9 A.M. and 4 P.M. (Except State Holidays) and speak with the Division employee who can take that information over the telephone.

TAX DEDUCTIONS FROM PENSION CHECK

Upon filing the proper W-4 Forms, the Pension Fund will withhold the amount you designate for both Federal and State of New Jersey Income Tax purposes.

VALUATION OF ASSETS

Remember to have the names changed on all assets that are in the name of the deceased. This is especially important for assets held in joint accounts, or in securities held as tenants in common, etc. The cost value of the share held by the deceased is stepped up to the value of the security on the date of death. This value is necessary, in the future, to be used as the Cost Basis in calculating capital gains or losses for the Internal Revenue Service when the asset is sold.

This stepped up value is extremely important for real estate that may be held in both the name of the retiree and the spouse, children, or other person. Stocks, Bonds, and other securities when held in joint ownership will also need this calculation. Based on the total valuation it may be necessary to do a Federal Estate Tax Return and/or a New Jersey Estate Tax return. In addition, based on the decedents' last will and testament, you may have to file a New Jersey Inheritance Tax Return. Please be sure to contact an accountant that is familiar with estate Tax Laws or an estate attorney.