

Designating a Beneficiary – Active Members

All Plans

An important aspect of membership in the Employees' Retirement System of the Maryland-National Capital Park and Planning Commission (ERS) is the payment of benefits to your named beneficiary. Upon your death, the ERS will pay death benefits to the last named beneficiary, or beneficiaries, on file with the ERS. It is, therefore, very important to keep your beneficiary information up to date.

In order to designate a beneficiary while an active member, a Designation of Beneficiary form must be completed and returned to the ERS. Unlike most beneficiary designations, the ERS plan specifies the first (Primary) and second (Contingent) payor of benefits when there is a spouse or eligible children (under the age of 18, under the age of 23, if a full-time student, or regardless of age if permanently disabled).

The ERS Plan states the first payor of benefits is an eligible spouse. In order to exclude a spouse from benefits, members must complete a spousal exclusion form.

If there is no eligible spouse or the spouse has been excluded, the ERS pays eligible children (under the age of 18, under the age of 23, if a full-time student, or regardless of age if permanently disabled). Eligible children may not be excluded.

Example 1:

If the member is legally married and lists his/her brother as the primary beneficiary, the spouse automatically receives benefits if the member dies in active service and does not complete a spousal exclusion form.

Example 2:

If the member is divorced, has a child under age 18 and lists his/her best friend as the primary beneficiary, the child automatically receives benefits up to age 18 or age 23, if a full-time student, or permanently if disabled.

You cannot designate a Guardian for the minor children. The designation of Guardian may be done by your Will. At the time of death, if children have been named on this Form, the Court will appoint a

Guardian and a copy of the Court Order must be forwarded to the ERS before payment can be made.

IMPORTANT INSTRUCTIONS

Completing the Designation of Beneficiary Form

Either type this form or complete it in ink. This is a legal document, so erasures or other corrections (including cross-outs) are not acceptable. Except for trust agreements, attachments are not acceptable.

- ➔ There are two spaces to designate primary beneficiaries and two spaces to designate contingent beneficiaries. If you need more than one page to name your beneficiaries, use multiple forms, marking them "Page 1 of 2", "Page 2 of 2", and so forth. However, it is not necessary to complete all the beneficiary spaces provided. Remember the first primary MUST be your spouse or eligible child (ren). You can name as many contingent beneficiaries as you wish.
- ➔ Benefits will be paid in equal shares to each surviving primary beneficiary listed. In the event all primary beneficiaries are deceased, benefits will be paid in equal shares to each surviving contingent beneficiary listed, if more than one.
- ➔ It is necessary that the complete name, address, phone number, Social Security number, and the date of birth of the beneficiary (ies) be given.
- ➔ The designation of "unborn children" or "children born of the marriage" is not acceptable. You may request a Revised Designation of Beneficiary form to restate your designation, if your situation changes.
- ➔ If you do not desire to name a person, you may name "my estate". At the time of your death, if the estate has been designated, the Trustee or Administrator must forward to the ERS a copy of the Court Order of the appointment. You may indicate in the space provided for address, the name and address of the person to contact concerning the administration of the estate.
- ➔ You may designate a charitable organization or church, but the complete corporate or legal name and address must be indicated.



You should consider updating your beneficiary or beneficiaries any time you experience a major life event such as marriage, divorce, birth or adoption of a child, or the death of a spouse, child or parent by completing a Revised Designation of Beneficiaries form.

Incapacity of Beneficiary

If the Board determines payment should not be made due to the incapacity of the beneficiary, then alternative payments will be made.

Disappearance of Beneficiary

If the ERS is unable to locate a beneficiary after making every reasonable effort to do so for three years, the beneficiary's interest shall be forfeited.

****IMPORTANT NOTICE****

Beneficiary Designations Pursuant to a Power of Attorney

On February 4, 2003, the Board of Trustees (the Board) made a determination regarding beneficiary designations in accordance with power of attorney documents. The Board determined that granting power of attorney to someone does not give that person the right to change your ERS beneficiary. In order for the person who has been granted legal permission to act in your best interest (an attorney-in-fact) to make any changes to your ERS Designation of Beneficiary form, the authority to do so must be specifically written in the power of attorney document. That is, the ERS member must explicitly state, in the power of attorney document, that the attorney-in-fact has permission to make beneficiary changes or designations.

Further, if there is any uncertainty or vagueness regarding whether the power of attorney document provides for beneficiary designations, the ERS will refuse to act on it until the uncertainty or vagueness is resolved. This Board action was taken after review and advice from legal counsel.