

## **Article 4: City Employees' Retirement System**

### **Division 7: Death Benefits**

*(“Management of Funds” incorp 1-22-1952 by O-5046 N.S.,  
contained in O-10792 O.S. adopted 11-29-1926;  
repealed 10-25-1962 by O-8744 N.S.)  
(“Death Benefits” added 10-25-1962 by O-8744 N.S.)*

#### **§24.0701      Death Benefits**

- (a) When a Member dies, the System will pay only one of the death benefits in this Division.
- (b) The System will pay the active death benefit, the death while eligible benefit or the industrial death benefit when a Member dies:
  - (1) while in active service and before the effective date of his or her retirement;
  - (2) while absent on military service, if the Member is actively contributing to the System, or contributions are being made the Member's behalf;
  - (3) within four months of discontinuing City service because the Member's position was abolished; or
  - (4) while physically or mentally incapacitated from the performance of his or her duties, if the incapacity was continuous from the time the Member stopped working.
- (c) When a Member dies, the System will pay the limited death benefit to the Member's Beneficiary if the System is not required to pay any of the following benefits: the active death benefit, the death while eligible benefit or the industrial death benefit. The limited death benefit consists only of the Member's Accumulated Contributions and interest thereon.  
*(“Death Benefits” repealed; “Death Benefits” added 4-2-2002 by O-19043 N.S.)*

#### **§24.0702      Active Death Benefit**

The System will pay the active death benefit when it is required to pay a death benefit under Section 24.0701(b) and none of the following benefits is payable: the death while eligible benefit or the industrial death benefit.

The active death benefit is the sum of the following:

- (a) The Member's Accumulated Contributions, including Accumulated Additional Contributions, with interest as determined by the Board.
- (b) An amount, from the City's contributions, equal to one-twelfth of the Member's Final Compensation, multiplied by the Member's years of Creditable Service, not to exceed one-half of the Member's Final Compensation.

(*"Active Death Benefit"* added 4-2-2002 by O-19043 N.S.)

#### **§24.0703 Active Death Benefit Payment Options**

- (a) A Member may elect, in writing, to have all or part of the active death benefit paid in installments in one of the following two ways:
  - (1) In monthly installments, fixed in number or amount and without a continuance to a Beneficiary, subject to the rules adopted by the Board. The Board will credit regular interest on the balance remaining on account with the System.
  - (2) In equal monthly installments for the life of the Beneficiary, for no more than 120 months.
- (b) If the Member dies without making an election under subdivision (a) of this section, the Member's Beneficiary may elect to receive the active death benefit as provided in subsection (1) of subdivision (a) of this section. The Beneficiary must make the election in writing before the System pays any portion of the active death benefit.
- (c) If the Member or the Member's Beneficiary elects to have the active death benefit paid in installments, the System will pay the first installment on the first day of the month after the active death benefit would have become due. The subsequent installments will be paid on the first day of each month thereafter. The total of the monthly installments will be the actuarial equivalent of the active death benefit.

(*"Basic Death Benefit"* repealed; *"Active Death Benefit Payment Options"* added 4-2-2002 by O-19043 N.S.)

**§24.0704     Death While Eligible Benefit**

- (a) The System will pay the death while eligible benefit, as an option in place of the active death benefit, when an active Member dies while he or she is eligible to retire and:
  - (1) there is a surviving spouse who is named as the Member's Beneficiary and was married to the Member when the Member died, or
  - (2) the Member had one or more children under the age of 18 when the Member died.
- (b) The death while eligible benefit is the sum of the following:
  - (1) One-half of the monthly allowance the Member would have received if the Member had retired on the day he or she died, having selected the maximum benefit. The System will pay this monthly allowance to the Member's surviving spouse for the surviving spouse's life. If there is no qualifying surviving spouse, or if the surviving spouse dies before all of the Member's children reach the age of 18, the System will pay this monthly allowance in equal shares to the Member's children under the age of 18 until each child dies or reaches the age of 18. This benefit begins to accrue on the day after the Member dies.
  - (2) An Annuity that is the actuarial equivalent of the Member's Accumulated Additional Contributions on the day the Member died, payable monthly to the Member's surviving spouse for life. If there is no qualifying surviving spouse, the System will pay the Member's Accumulated Additional Contributions in lump sum and in equal shares to the Member's children under the age of 18.
- (c) Payment of the death while eligible benefit will stop when the Member's surviving spouse dies and all of the Member's children have either died or reached the age of 18. If this occurs before the sum of the monthly payments made, less the Annuity derived from the Member's Accumulated Additional Contributions, equals the active death benefit, the System will pay the remainder in lump sum and in equal shares to the Member's surviving children. If there are no surviving children, the System will pay the sum to the Member's named Beneficiary. If there is no named Beneficiary, the sum will be paid as stated in section 24.0706.
- (d) A surviving spouse who is eligible to receive the death while eligible benefit may elect instead to receive a lump sum payment of the actuarial present value

of the benefit. If the surviving spouse chooses the lump sum payment, the actuarial present value will be determined as of the date of the Member's death.

- (e) If there is no surviving spouse or child eligible to receive the death while eligible benefit, the System will pay the active death benefit to the Member's named Beneficiary. If there is no named Beneficiary, the sum will be paid as stated in section 24.0706.

(*"Basic Death Benefit Payment Options" repealed; "Death While Eligible Benefit" added 4-2-2002 by O-19043 N.S.*)

## **§24.0705 Industrial Death Benefit**

- (a) The System will pay the industrial death benefit, instead of the active death benefit, when a Member dies from industrial causes, as determined by the Workers' Compensation Appeals Board using its normal hearing procedures, if :
- (1) there is a surviving spouse who is named as the Member's Beneficiary and was married to the Member when the Member died, or
  - (2) the Member had one or more children under the age of 18 when the Member died.
- (b) The industrial death benefit is the sum of the following:
- (1) A monthly allowance equal to one-half of the Member's Final Compensation, paid to the Member's surviving spouse for the surviving spouse's life. If there is no qualifying surviving spouse, or if the surviving spouse dies before all of the Member's dependent children reach the age of 18, the System will pay this monthly amount in equal shares to the Member's children under the age of 18 until each child dies or reaches the age of 18. This benefit begins to accrue on the day after the Member dies.
  - (2) An annuity that is the actuarial equivalent of the Member's Accumulated Additional Contributions on the date the Member died, payable monthly to the Member's surviving spouse for life. If there is no qualifying surviving spouse, the System will pay the Member's Accumulated Additional Contributions in lump sum and in equal shares to the Member's children under the age of 18.

- (c) Payment of the industrial death benefit will stop when the Member's surviving spouse dies and all of the Member's children have either died or reached the age of 18. If this occurs before the sum of the monthly payments made, excluding the annuity derived from the Member's Accumulated Additional Contributions, equals the active death benefit, the System will pay the remainder in lump sum and in equal shares to the Member's surviving children. The System will also pay the Member's Accumulated Additional Contributions, less the Annuity paid from these contributions, to the Member's surviving children, in equal shares. If there are no surviving children, the System will pay the remainder to the Member's named Beneficiary. If there is no named Beneficiary, the sum will be paid as stated in section 24.0706.
- (d) A surviving spouse who is eligible to receive the industrial death benefit may elect instead to receive a lump sum payment of the actuarial present value of the benefit. If the surviving spouse chooses the lump sum payment, the actuarial present value will be determined as of the date of the Member's death.
- (e) If, at the time of the Member's death, the Worker's Compensation Appeals Board has not yet determined whether the Member's death was industrial, the System may pay the active death benefit. If the Worker's Compensation Appeals Board later determines that the Member's death was industrial, and there is a qualifying surviving spouse or minor child, the System will then pay the special death benefit less the amount of the active death benefit.  
*("Special Death Benefit — Safety Member" repealed; "Industrial Death Benefit" added 4-2-2002 by O-19043 N.S.)*

## **§24.0706      Beneficiary Not Designated**

- (a) The System will pay all amounts due because of the death of a Member or retiree as provided in subdivision (b) of this section if the Member's estate would not be probated if no amounts were due from the System and:
  - (1) the Member did not name a Beneficiary,
  - (2) there is no living named Beneficiary,
  - (3) after reasonable efforts, the Board is unable to locate the named Beneficiary, or
  - (4) the Beneficiary is the Member's estate.

- (b) Payment will be made, in the following order, to the Member or retiree's:
- (1) surviving spouse,
  - (2) children,
  - (3) parents,
  - (4) siblings,
  - (5) next of kin.
- (c) The System will not make any payment under this section to persons in any group if there are living persons in any earlier group on the date of payment.
- (d) The System will not make any payment under this section without first receiving from each payee an affidavit that complies with the California Probate Code.  
(“*Special Death Benefit — Safety Member — Computation*” repealed; “*Beneficiary Not Designated*” added 4-2-2002 by O-19043 N.S.)

**§24.0707 Payment to Funeral Director in the Absence of a Beneficiary**

- (a) The Board may pay any of the amount due from the System because of the death of a Member or retiree to the funeral director who conducted the funeral, or to the person or organization that paid the funeral expenses, if:
- (1) the Member did not name a Beneficiary,
  - (2) there is no living named Beneficiary,
  - (3) the Board is unable to locate the named Beneficiary, or
  - (4) the Beneficiary is the Member's estate.
- (b) Payment under this section will not exceed the actual cost of the funeral or the portion of that cost paid by the person or organization to the funeral director , as shown by the funeral director's sworn itemized statement and by any other documents required by the Board.

- (c) Payment under this section will fully discharge the System for the amount paid.

(*“Effective Date of Special Death Benefit, Modified Special Death Benefit, and Death While Eligible Benefit” repealed; “Payment to Funeral Director in the Absence of a Beneficiary” added 4-2-2002 by O-19043 N.S.*)

**§24.0708 Uniform Simultaneous Death Act**

California law regarding the distribution of estates under the Uniform Simultaneous Death Act governs payments made by the System because of the death of a Member, retiree or Beneficiary. In applying the Uniform Simultaneous Death Act to benefits paid to a Beneficiary, benefits under this System will have the same status as benefits under insurance policies.

(*“Basic Death Benefit Paid to Designated Beneficiary or Estate” repealed; “Uniform Simultaneous Death Act” added 4-2-2002 by O-19043 N.S.*)

**§24.0709 Continued Health Coverage**

A Safety Member’s surviving spouse or dependent child who is eligible for the industrial death benefit is entitled to continued health coverage as provided in California Labor Code Section 4856 and may be entitled to additional benefits under Section 24.1201.

(*“Special Death Benefit—Payment to Surviving Minor Children” repealed; “Continued Health Coverage” added 4-2-2002 by O-19043 N.S.*)

**§24.0710 Retiree Death Benefit**

When a retired Member dies, the System will pay a retiree death benefit of \$2,000 to the retired Member’s named Beneficiary. If there is no designated Beneficiary, the benefit will be paid according to sections 24.0706 and 24.0707.

(*“Industrial Death Benefit” repealed; “Retiree Death Benefit” added 4-2-2002 by O-19043 N.S.*)