

**LOS ANGELES FIRE & POLICE PENSIONS**

# **Survivor Benefits Handbook**



**To Serve Those Who Protect**

**May 2009**

## **Disclaimer**

This booklet, which is called a "Survivor Benefits Handbook", describes in informal language, the provisions of Tiers 1, 2, 3, 4 and 5 regarding survivor benefits. This document is intended to summarize legal texts in a clear and concise manner. If there is a difference between this guide and the legal text outlined in the City Charter, the Los Angeles City Administrative Code, the Internal Revenue Code or other laws, the legal text prevails.

Losing a loved one is a traumatic experience. Unfortunately, there are many financial concerns to be handled while coping with the death of a family member or friend. This handbook is intended to assist survivors at a most difficult time. It describes the benefits available and the steps survivors should take in order to claim them.

If you have questions or need assistance, contact our office at (213) 978-4545 or (800) 787-CITY (2489).

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## ELIGIBILITY FOR A SURVIVOR'S BENEFIT

### Who is Eligible for a Survivor's Benefit?

As a qualified survivor or beneficiary of a deceased active or retired member, you may be eligible for certain death and survivor benefits from Los Angeles Fire and Police Pensions (LAFPP). The following describes the requirements that establish one's eligibility to receive survivor benefits.

#### Qualified Surviving Spouse or Domestic Partner

There are certain criteria that must be fulfilled in order for a surviving spouse or surviving domestic partner to qualify for a **life-long** survivor's pension. The requirements are as follows:

| <b>Member Death Occurrence:</b>                | <b>Marriage or Domestic Partnership Effective Date must be:</b>  |
|--|--|
| <i>Service-Connected Death</i>                 | On the date of member's death.   |
| <i>Nonservice-Connected Death</i>              | On the date of member's death,<br><b>and</b><br>At least one year prior to member's death.                         |
| <i>Service Retirement</i>                      | On the date of member's death,<br><b>and</b><br>At least one year prior to the effective date of member's pension. |
| <i>Service-Connected Disability Pension</i>    | On the date of member's death,<br><b>and</b><br>On the effective date of member's pension.                         |
| <i>Nonservice-Connected Disability Pension</i> | On the date of member's death,<br><b>and</b><br>At least one year prior to the effective date of member's pension. |

### **Qualified Minor Child**

A child or adopted child of a deceased member is considered a "minor child" for purposes of receiving a pension benefit until the child reaches age 18 or marries, whichever comes first. In addition, children of members in Tiers 3, 4 and 5 may receive a benefit until age 22 if in school full-time.

### **Qualified Dependent Child**

A "dependent child" is the child or adopted child of a deceased member. A dependent child must have become mentally or physically disabled before turning age 21 and cannot be capable of earning a living. A dependent child, whose disability ends, is no longer considered a dependent for pension purposes.

### **Qualified Dependent Parent**

A "dependent parent" is a parent of a deceased member. A dependent parent must have had at least one-half of his/her necessary living expenses covered by the deceased member for one year or more prior to the member's death, and be unable to pay necessary living expenses without the pension. This pension is paid until the dependent parent can pay his/her necessary living expenses on his/her own.

**A dependent parent is eligible for a benefit only if there are no other qualified survivors at the time of the member's death.**

## **SURVIVOR BENEFITS**

### **What am I Entitled to as a Qualified Surviving Spouse/Domestic Partner?**

As a qualified surviving spouse/domestic partner, survivor benefits vary according to the member's tier (1, 2, 3, 4 or 5), and his/her status at the time of death – active or retired.

### **Active Member Death**

In the case of an active member, the benefits provided will depend on whether the death was service-connected or nonservice-connected.

## Service-Connected Death

The member does not need to meet age or years of service requirements for the qualified survivor to be eligible for this benefit.

|                           | Tier 2  | Tiers 3 & 4                                       | Tier 5   |
|---------------------------|---|---|--|
| <b>Survivor's Benefit</b> | 50% of member's Normal Pension Base <sup>1</sup><br><b>or</b><br>55% if member had 25+ years of service | 75% of member's Final Average Salary <sup>2</sup> | 75% of member's Final Average Salary <sup>2</sup><br><br><b>Former Tier 2:</b><br>75% of member's Normal Pension Base <sup>1</sup> |

## Nonservice-Connected Death

### Option 1: Survivor's Pension

The member must have five or more years of service in order for the survivor to qualify for this benefit.

|                           | Tier 2   | Tiers 3 & 4   | Tier 5  |
|---------------------------|--|---|---|
| <b>Survivor's Benefit</b> | 40% of highest monthly salary as of member's retirement for basic rank of Police Officer III or Fire Fighter III, <b>and</b> the highest length of service pay | 30% of member's Final Average Salary <sup>2</sup><br><b>or</b><br>If Tier 3 member had 10+ years of service, or Tier 4 member had 20+ years of service, 80% of the pension the member would have received, not to exceed 40% of Final Average Salary <sup>2</sup> | 30% of member's Final Average Salary <sup>2</sup><br><b>or</b><br>40% if member had 20+ years of service<br><br><b>Former Tier 2:</b><br>40% of highest monthly salary as of member's retirement for basic rank of Police Officer III or Fire Fighter III, <b>and</b> the highest length of service pay |

<sup>1</sup> Normal Pension Base: Final monthly salary rate.

<sup>2</sup> Final Average Salary: One-year average monthly salary.

## Option 2: Basic Death Benefit

Qualified survivors of members with less than five years of service are eligible for the following benefits:

- A refund of the member's pension contributions and accrued interest;**\***  
**and**
- If the member had at least one year of service, a limited monthly pension, payable for not more than one year.

**\*Note:** The refund-of-contributions portion of the basic death benefit is paid to a designated beneficiary. However, in the absence of a designated beneficiary, the refund of contributions is made to the qualified survivor(s).

**Any survivor who is entitled to the benefits outlined under Option 1 can instead elect benefits under Option 2.**

### **Retired Member Death\***

In the case of a retired member, the survivor benefits provided will depend on the type of retirement allowance received by the member at the time of death.

**\*Note:** Prior to the receipt of the first payment of a service pension, a service-connected disability pension or a nonservice-connected disability pension, members of Tiers 3, 4 and 5 may elect to receive a reduced pension benefit in order to provide their surviving spouse/domestic partner with a benefit greater than the amounts listed in the following three tables of this section.

### **Death After Service Retirement**

|                           | <b>Tier 1</b>  | <b>Tier 2</b>  | <b>Tiers 3 &amp; 4</b>          | <b>Tier 5</b>  |
|---------------------------|--|--|---------------------------------|--|
| <b>Survivor's Benefit</b> | Same as member's pension up to 50% of Normal Pension Base <sup>3</sup> | Same as member's pension up to 55% of Normal Pension Base <sup>3</sup> | 60% of member's pension benefit | 60% of member's pension benefit<br><b>Former Tier 2:</b><br>Same as member's pension up to 55% of Normal Pension Base <sup>3</sup> |

<sup>3</sup> Normal Pension Base: Final monthly salary rate.

## Death After Service-Connected Disability

|                           | Tier 1   | Tier 2  | Tiers 3 & 4  | Tier 5  |
|---------------------------|--|---|--|---|
| <b>Survivor's Benefit</b> | 50% of member's Normal Pension Base <sup>4</sup> | 50% of member's Normal Pension Base <sup>4</sup><br><b>or</b><br>55% if member had 25+ years of service | 60% of member's disability pension<br><b>or</b><br>75% of member's Final Average Salary <sup>5</sup> if death occurs within 3 years of pension effective date and is due to service-connected disability | 60% of member's disability pension<br><b>or</b><br>75% of member's Final Average Salary <sup>5</sup> if death occurs within 3 years of pension effective date and is due to service-connected disability<br><br><b>Former Tier 2:</b><br>50% of member's Normal Pension Base <sup>4</sup><br><b>or</b> 55% if member had 25+ years of service |

## Death After Nonservice-Connected Disability

|                            | Tier 1   | Tier 2   | Tiers 3 & 4                        | Tier 5  |
|----------------------------|--|--|------------------------------------|---|
| <b>Survivor's Benefits</b> | 40% of highest monthly salary as of member's retirement for basic rank of PO III or FF III, <b>and</b> the highest length of service pay | 40% of highest monthly salary as of member's retirement for basic rank of PO III or FF III, <b>and</b> the highest length of service pay | 60% of member's disability pension | 60% of member's disability pension<br><br><b>Former Tier 2:</b><br>40% of highest monthly salary as of member's retirement for basic rank of PO III or FF III, <b>and</b> the highest length of service pay |

<sup>4</sup> Normal Pension Base: Final monthly salary rate.

<sup>5</sup> Final Average Salary: One-year average monthly salary.

## DROP Member Death

DROP members are considered retired for determining survivor benefits. Qualified survivors of DROP members are entitled to the benefits listed in the table titled "**Death After Service Retirement**" on page 7. In addition to this monthly benefit, the contributions and interest accrued in the member's DROP account will be paid to the named DROP beneficiary.

If the DROP member's death is service-connected, the qualified surviving spouse or domestic partner may instead elect the option to forfeit the DROP account, and collect a monthly benefit equal to a percentage of the member's pension base. For more information on this benefit, refer to the table titled "**Service-Connected Death**" on page 6.

### Monthly Survivor Benefits for Children and Other Dependents

Minor and dependent children receive a monthly benefit **in addition to** the benefit paid to the qualified surviving spouse/domestic partner.\* The additional benefits for children are as follows:

|                           |  |
|---------------------------|--|
| <b>1 Child</b>            | Total of <b>25%</b> of amount paid to spouse/domestic partner. |
| <b>2 Children</b>         | Total of <b>40%</b> of amount paid to spouse/domestic partner. |
| <b>3 or More Children</b> | Total of <b>50%</b> of amount paid to spouse/domestic partner. |

**\*Note:** Total survivor benefit may be limited as determined by the member's tier.

A monthly benefit is not payable to minor children after the age 18 or once the child marries, whichever comes first. However, minor children of members in Tiers 3, 4 and 5 may receive a benefit until age 22 if in school full-time.

A dependent child will continue to receive a pension regardless of age or marital status unless he/she is found to no longer be disabled.

If there is no qualified surviving spouse/domestic partner, the minor or dependent children will receive the same monthly benefit that the qualified surviving spouse/domestic partner would have received.

If there is no qualified surviving spouse/domestic partner or qualified children but there are qualified dependent parents, they would receive the same monthly benefit that the qualified surviving spouse/domestic partner would have received for as long as they remain eligible.

## **Survivor Benefit Purchase Program**

After retirement, a member has the option to make a one-time election to provide a survivor benefit to a spouse married in retirement or a domestic partner declared in retirement under the **Survivor Benefit Purchase Program**. Upon election of this benefit, the member selects a percentage of his/her pension from options provided by LAFPP, and pays the full actuarial cost of the survivor benefit by taking an actuarial reduction in his/her monthly pension benefit.

The following criteria must be met in order for the survivor to qualify for this life-long benefit:

1. The survivor must be the spouse or domestic partner of the retired member at the time the member elected to provide this benefit, and at the time of the member's death; **and**
2. The death of the retired member must be at least one year from the date he/she elected to provide this benefit, unless the death has been deemed accidental by the Board of Fire and Police Pension Commissioners.

If the retired member's death occurs less than one year from the date of his/her election to provide this benefit and the accidental death exception does not apply, there is no survivor benefit and the amount by which the retired member's monthly pension benefit was reduced shall be paid as a lump sum to the spouse or domestic partner. If the spouse or domestic partner predeceased the member, then the lump sum shall be paid to the member's estate.

**The survivor receiving a benefit under this program shall not be eligible for a health subsidy from LAFPP. The payment of a survivor benefit under this program does not impact the payment of other survivor benefits paid by LAFPP.**

## **COST-OF-LIVING ADJUSTMENTS**

All monthly qualified survivor LAFPP benefits include a cost-of-living adjustment (COLA) based on changes in the Consumer Price Index (CPI). The monthly benefit is adjusted on July 1 of each year to reflect the change in the cost of living. The provisions outlined in the member's tier determine the maximum COLA applied to the monthly benefit.

The following chart summarizes the COLA allowances for each tier:

|             | <b>Tier 1</b> | <b>Tier 2</b> | <b>Tiers 3 &amp; 4</b> | <b>Tier 5</b>   |
|-------------|---------------|---------------|------------------------|---|
| <b>COLA</b> | Uncapped COLA | Uncapped COLA | 3% cap on COLA         | 3% cap on COLA and COLA Bank*<br><br><b>Former Tier 2:</b><br>3% cap on COLA and COLA Bank* |

**\*Note:** Tier 5 has a capped COLA at 3% per year, with a COLA bank. Any CPI increase over the 3% cap is deposited into the retiree’s “COLA bank.” If, in the following years, the CPI is below the 3% cap, the additional percentage in the COLA bank will be applied to the current COLA amount, up to the 3% cap. The qualified survivor inherits the member’s COLA bank.

### **HEALTH SUBSIDY FOR SURVIVORS**

In addition to the monthly benefit, the qualified surviving spouse/domestic partner may qualify for a **Health Insurance Subsidy**. The subsidy would apply to the single-party health premium coverage level. The following three conditions are required:

1. The deceased member had at least 10 years of service; **and**
2. At the time of the retired member’s death, the member was receiving a health subsidy or if the member died prior to receiving a health subsidy, the qualified surviving spouse/domestic partner will be eligible when the member would have been age 55; **and**
3. The qualified surviving spouse/domestic partner must be enrolled in a City-approved health plan (offered by UFLAC, Fire Relief, Police Relief or City Plans).

**Survivors other than a qualified surviving spouse/domestic partner are not entitled to a health subsidy.**

At age 65, the qualified surviving spouse/domestic partner is required to enroll in Medicare to the full extent of entitlement to continue receiving a health subsidy. If the qualified surviving spouse/domestic partner is eligible for both Part A and Part B of Medicare, the City will reimburse the cost of the Part B premium.

Qualified surviving spouses/domestic partners who live outside of California, or within the state but not within a City-approved HMO medical plan service area may be eligible for the **Health Insurance Premium Reimbursement Program**. Reimbursement cannot exceed the maximum monthly health subsidy allowed.

For more information on the Health Insurance Subsidy or the Health Insurance Premium Reimbursement Program, contact the Medical & Dental section at (213) 978-4560, or (800) 787-2489, ext 84560.

For information on continuing health coverage, please contact the appropriate health plan administrator:

**Fire:** Fire Relief or UFLAC

**Police:** Police Relief

**Port Police:** LAFPP

***Refer to page 15 for contact information.***

## **OTHER BENEFITS**

In addition to the LAFPP benefits described, surviving family members and beneficiaries may qualify for other benefits.

### **Public Safety Officers' Benefits Program**

Survivors of LAFPP members whose deaths are the direct result of a traumatic injury sustained in the line of duty may qualify to receive a one-time financial benefit from the Public Safety Officers' Benefits (PSOB) Program. Receipt of this benefit will not reduce survivor benefits received from LAFPP. Eligible survivors may file claims with the Bureau of Justice Assistance (BJA), or through the member's employing department. More information can be found online at [www.psob.gov](http://www.psob.gov), or call (888) 744-6513.

### **Deferred Compensation and Other Investments**

Benefits may be available if the deceased participated in the City's Deferred Compensation Plan. For more information, contact Great West Retirement Services, the plan administrator, at (888) 457-9460. The appropriate plan administrator should be contacted for information on eligibility of benefits from any other tax-deferred savings plan or investment program outside of the City.

### **Social Security Benefits**

As a member of LAFPP, the member neither contributed to nor received credit for Social Security during his/her City service. However, a lump sum death benefit and/or monthly benefits may be available to survivors if the member earned sufficient credits through previous employment outside of the City. More information is available on the Social Security Administration's Web site at [www.ssa.gov](http://www.ssa.gov), or call (800) 772-1213.

Survivors may also be eligible to collect life insurance proceeds through the various Fire and Police associations – see page 15 for contact information. Benefits may also be available if the member contributed to another retirement system.

## **HOW TO REPORT A MEMBER'S DEATH**

### **1. Notify LAFPP When a Member Dies**

When the death of a member occurs, it is necessary that the Department of Fire and Police Pensions be contacted immediately.

**Active member deaths** should be reported to the Disability Pension section, (213) 978-4500, or (800) 787-2489, ext 84500.

**Retired member deaths** should be reported to the Service Pension section, (213) 978-4575, or (800) 787-2489, ext 84575.

The mailing address for written correspondence is:

Los Angeles Fire and Police Pensions  
360 East Second Street, Suite 400  
Los Angeles, CA 90012

### **2. Provide Supporting Documentation\***

- A certified copy of the member's death certificate.
- A certified copy of the marriage certificate as proof of marriage to our member, if not already in member's file.
- If the designated beneficiary is deceased, then we require a death certificate of the beneficiary or letters of addition or testamentary.
- Birth certificates for all minor children.
- Guardianship documents for minors, where applicable.

**\*Note:** The Disability or Service Pension section may request additional information to establish survivor eligibility.

## **WHAT LAFPP DOES UPON NOTIFICATION OF A DEATH**

In the case of a retired member death, the Department will process documents to terminate the pension and terminate direct deposit, if applicable.

The remaining steps will be taken for both, an active or retired member death:

1. If there is an eligible qualified survivor, the Department will mail the Application for Survivor Pension Benefits.

2. The Application for Survivor Pension Benefits should be mailed back to the Department along with 1) a copy of the death certificate and, 2) a copy of marriage certificate (if requested).
3. Upon approval from the Board of Fire and Police Pension Commissioners, the qualified survivor's pension should commence the following month.\*

**\*Note:** If there is a delay in reporting the death of a pensioner, the overpayment will be charged to the qualified survivor. The overpayment can be paid to the Department in a lump sum amount or may be deducted from the surviving spouse's pension check. As a result, excess taxes may be remitted to the Federal and State agencies. This may also create an additional burden for the survivor when rectifying the problem with the IRS and State Tax Board.

### **OTHER ACTIONS TO BE TAKEN**

- Make arrangements for funeral or memorial service.
- Gather all important documents
- Obtain certified death certificate. You can order certified copies from your local county clerk or state health department. (Most begin by ordering ten copies.)
- Consider calling an attorney to notify witnesses to will, if any, and schedule a meeting to handle estate settlement.
- Advise executor of estate, if known.
- Have executor adjust ownership of any insurance policies on the lives of others owned by the deceased.
- Have executor retitle real estate that was owned by the deceased.
- Notify insurance companies or broker to modify casualty and homeowners insurance as necessary.
- Notify any clubs or organizations.
- Contact financial advisors or brokers and arrange (if necessary) retitling of investments.
- Check promptly on all debts and installment payments. Some companies may carry insurance clauses which will cancel the debt. If there will be a delay in meeting payments, consult with creditors and ask about setting up a new repayment schedule.
- Contact the Internal Revenue Service and the State Franchise Tax Board to determine tax filing requirements. (You may be assisted by your attorney or financial advisor.) Decide who will compile information and file taxes.

## **IMPORTANT CONTACTS**

### **LAFPP**

**Active Member Death: Disability Pension**

(213) 978-4500

**Retired Member Death: Service Pension**

(213) 978-4575

**Health Subsidy: Medical & Dental**

(213) 978-4560

**LAFD – Human Resources**

(213) 978-3750

**LAPD – Personnel Division**

(213) 485-3243

**Port Police – Human Resources**

(310) 732-3480

**Los Angeles Firemen’s Relief Association**

(800) 244-3439, (323) 259-5200

**United Firefighters of Los Angeles City**

(213) 895-4006

**Los Angeles Police Relief Association**

(888) 252-7721, (213) 674-3701

**Los Angeles Police Protective League**

(800) 53-LAPPL, (213) 251-4554

**Los Angeles Retired Fire & Police Association**

(888) 288-5073, (323) 283-4441, (626) 285-5138

**Public Safety Officers’ Benefits Program**

(888) 744-6513

**Great West Retirement Services**

(888) 457-9460

**Social Security Administration**

(800) 772-1213

**Internal Revenue Service**

(800) 829-1040



**Los Angeles Fire and Police Pensions**

**360 East Second Street, Suite 400  
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