

Survivor Benefits Handbook

July 2018



Los Angeles Fire and Police Pensions

To Serve Those Who Protect

Disclaimer

This “Survivor Benefits Handbook” describes in informal language, the provisions of Tiers 1 – 6 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 and 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) 279-3000 or (844) 88-LAFPP (52377).

CONTENTS

Eligibility for a Survivor’s Benefit	4
Survivor Pension Benefits for a Qualified Surviving Spouse/Domestic Partner	5
Active Member Death	5
Service-Connected Death	5
Nonservice-Connected Death	5
Retired Member Death	6
Death After Service Retirement	6
Death After Service-Connected Disability	6
Death After Nonservice-Connected Disability	6
DROP Member Death	7
Survivor Pension Benefits for Qualified Children and Dependent Parents	7
Other LAFPP Survivor Benefits	7
Basic Death Benefit	7
Optional Survivor Benefit	8
Survivor Benefit Purchase Program	8
Cost of Living Adjustments	9
Health Insurance Subsidy for a Qualified Surviving Spouse/Domestic Partner	9
Other Benefits for Survivors	10
Public Safety Officers’ Benefits Programs	10
State of California Death Benefits	10
Deferred Compensation Plan Benefits	11
Social Security Benefits	11
How to Report a Member’s Death	11
Applying for a Survivor Pension Benefit	12
Other Actions to be Taken	13
Important Contacts	14

ELIGIBILITY FOR A SURVIVOR'S BENEFIT

As a survivor of a deceased active or retired member, you may be eligible for various 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 domestic partner to qualify for a **life-long** survivor's pension benefit. The requirements are as follows:

Member Death Occurrence:	Marriage or Domestic Partnership Effective Date must be:
<i>Service-Connected Death</i>	On the date of member's death.
<i>Nonservice-Connected Death</i>	On the date of member's death, and At least one year prior to member's death.
<i>Service Retirement</i>	On the date of member's death, and 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, and On the effective date of member's pension.
<i>Nonservice-Connected Disability Pension</i>	On the date of member's death, and 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 – 6 may receive a benefit until age 22 if they are unmarried and enrolled in school on a full-time basis.

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 is not 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 eligible for a benefit **only if** there are no other Qualified Survivors at the time of the member's death. He/she must be the parent of the deceased member, and had at least one-half of his/her necessary living expenses covered by the member for one year or more prior to the

member's death. The pension ceases once the Dependent Parent can pay such expenses on his/her own.

SURVIVOR PENSION BENEFITS FOR A QUALIFIED SURVIVING SPOUSE/DOMESTIC PARTNER

The monthly survivor pension benefit for a Qualified Surviving Spouse/Domestic Partner, varies according to the member's tier (1 – 6), and his/her status at the time of death – active or retired.

Active Member Death

In the case of an active member death, the survivor pension benefit 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 ¹	Tiers 3 & 4	Tier 5	Tier 6
Survivor's Benefit	55% of NPB ²	75% of FAS ³	75% of FAS ³ Former Tier 2: 75% of NPB ²	80% of FAS ³

Nonservice-Connected Death

The member must have at least five years of service in order for the survivor to qualify for this benefit. Otherwise, the Basic Death Benefit is payable – see page 7.

	Tier 2 ¹	Tiers 3 & 4	Tier 5	Tier 6
Survivor's Benefit	Same pension member would have received, not to exceed 55% of NPB ²	30% of FAS, or 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 FAS ³	30% of FAS, or 40% of FAS if member had 20+ years of service ³ Former Tier 2: Same as Tier 2	50% of FAS ³ Note: Same benefit applies if member's death occurs while on military leave and is a result of his/her military duties.

¹**Tier 2** – Since all remaining active members of Tier 2 have 25+ years of service, the survivor benefit that would be payable for the death of an active Tier 2 member with fewer years of service is not listed.

²**NPB** – Normal Pension Base is the final monthly salary rate the member received at date of death or effective date of retirement.

³**FAS** – Final Average Salary is the average monthly salary a Tier 3 – 5 member received for 12 consecutive months; or 24 consecutive months for a Tier 6 member.

Retired Member Death

In the case of a retired member's death, the survivor pension benefit will depend on the type of retirement allowance received by the member at the time of death.*

Death After Service Retirement

	Tiers 1 & 2	Tiers 3 & 4	Tier 5	Tier 6
Survivor's Benefit	<p>Tier 1: Same as member's pension up to 50% of NPB¹</p> <p>Tier 2: Same as member's pension up to 55% of NPB¹</p>	60% of member's pension	<p>60% of member's pension</p> <p>Former Tier 2: Same as Tier 2</p>	70% of member's pension

Death After Service-Connected Disability

	Tiers 1 & 2	Tiers 3 & 4	Tier 5	Tier 6
Survivor's Benefit	<p>Tier 1: 50% of NPB¹</p> <p>Tier 2: 50% of NPB, or 55% of NPB if member had 25+ years of service¹</p>	<p>60% of member's pension,</p> <p>or</p> <p>75% of FAS if death occurs within 3 years of pension effective date and is due to service-connected disability²</p>	<p>60% of member's pension,</p> <p>or</p> <p>75% of FAS if death occurs within 3 years of pension effective date and is due to service-connected disability²</p> <p>Former Tier 2: Same as Tier 2</p>	<p>80% of member's pension,</p> <p>or</p> <p>80% of FAS if death occurs within 3 years of pension effective date and is due to service-connected disability²</p>

Death After Nonservice-Connected Disability

	Tiers 1 & 2	Tiers 3 & 4	Tier 5	Tier 6
Survivor's Benefit	40% of highest monthly salary as of member's retirement for basic rank of PO III or FF III, and the highest length of service pay	60% of member's pension	<p>60% of member's pension</p> <p>Former Tier 2: Same as Tier 2</p>	70% of member's pension

***Note** – Prior to retirement, a Tier 3 – 6 member may elect to increase the benefit percentage for his/her surviving spouse/domestic partner – see the Optional Survivor Benefit on page 8.

¹**NPB** – Normal Pension Base is the final monthly salary rate the member received at date of death or effective date of retirement.

²**FAS** – Final Average Salary is the average monthly salary a Tier 3 – 5 member received for 12 consecutive months; or 24 consecutive months for a Tier 6 member.

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 6. In addition, 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/ Domestic Partner may instead, elect the option to forfeit payment of the DROP account accrual, and collect a monthly benefit equal to a percentage of the member's pension base – see the table titled *Service-Connected Death* on page 5.

SURVIVOR PENSION BENEFITS FOR QUALIFIED CHILDREN AND DEPENDENT PARENTS

Qualified Children

Minor and Dependent Children receive a monthly benefit **in addition to** the benefit paid to the Qualified Surviving Spouse/Domestic Partner, provided that the total, combined benefit does not exceed 100% of the member's pension base.

The additional benefits for children are as follows:

1 Child	An additional 25% of amount paid to spouse/domestic partner.
2 Children	An additional 40% of amount paid to spouse/domestic partner.
3 or More Children	An additional 50% of amount paid to spouse/domestic partner.

If there is no Qualified Surviving Spouse/Domestic Partner, the minor or Dependent Child will receive the same monthly benefit that the Qualified Surviving Spouse/Domestic Partner would have received.

Benefits for Children will be paid to the legal guardian until the child turns the age of 18.

Qualified Dependent Parents

If there is no Qualified Surviving Spouse/Domestic Partner or Qualified Children, but there is a Qualified Dependent Parent, he/she will receive the same monthly benefit that the Qualified Surviving Spouse/Domestic Partner would have received for as long as he/she remains eligible.

OTHER LAFPP SURVIVOR BENEFITS

Basic Death Benefit

The Basic Death Benefit is generally payable in the event an active member in Tier 3 – 6 has less than five years of service at the time of his/her nonservice-connected death. However, the qualified survivor of an active member in Tier 3 – 6 may elect to receive this benefit in lieu of the applicable active member service- or nonservice-connected death benefit (on page 5), regardless of the member's years of service.

This benefit is paid as follows:

- The member's pension contributions and accrued interest are refunded to the *designated beneficiary*; **and**
- If the member had at least one year of service, a limited monthly pension is paid to the *qualified survivor* for a maximum period of one year.

Please note that in the absence of a designated beneficiary, the refund of contributions portion will be paid to the qualified survivor.

Optional Survivor Benefit

Prior to the receipt of the first payment of a service pension, a service-connected disability pension or a nonservice-connected disability pension, a member in Tier 3 – 6 may elect the Optional Survivor Benefit for his/her Qualified Surviving Spouse/Domestic Partner. In this case, the member elects to receive an actuarially reduced pension benefit in order to provide his/her Qualified Surviving Spouse/Domestic Partner with a greater benefit percentage than those listed in the applicable tables on page 6. If the member survives the spouse/domestic partner, the benefit does not adjust to the original pension amount.

Election of this benefit does not increase the benefit paid to any other Qualified Survivor (e.g., a Qualified Child).

Survivor Benefit Purchase Program

After retirement/DROP exit, a member has the option to make a **one-time, irrevocable** election to provide a survivor pension 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 to be paid to the spouse/domestic partner, and in exchange, pay the full actuarial cost of the survivor benefit by taking a 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/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 is not accidental and occurs within one year of his/her election, there is no survivor benefit payable and the amount by which his/her monthly pension benefit was reduced shall be paid as a lump sum to the spouse/domestic partner. If the spouse/domestic partner predeceases the member, then the lump sum shall be paid to the member's estate.

The election to purchase a survivor benefit under this program **does not qualify** the surviving spouse/domestic partner for the health insurance subsidy referenced below. In addition, payment of a benefit under this program does not impact the payment of other survivor benefits paid by LAFPP.

COST OF LIVING ADJUSTMENTS

A survivor’s monthly pension benefit is adjusted every July 1 to reflect the change in the Consumer Price Index (CPI). The maximum cost of living adjustment (COLA) applied to the benefit is determined by the member’s tier as indicated below:

	Tiers 1 & 2	Tiers 3 & 4	Tier 5	Tier 6
COLA	Uncapped COLA	3% cap on COLA	3% cap on COLA and COLA Bank* Former Tier 2: 3% cap on COLA and COLA Bank*	3% cap on COLA and COLA Bank*

***Note:** Tier 5 and 6 provides for a capped COLA of 3% per year, with a COLA bank. Any CPI increase over the 3% maximum is deposited into the retired member’s “COLA bank.” If, in following years, the CPI is below the 3% cap, the additional percentages in the COLA bank will be applied to the current COLA amount, up to 3%. The qualified survivor inherits the member’s COLA bank.

HEALTH INSURANCE SUBSIDY FOR A QUALIFIED SURVIVING SPOUSE/DOMESTIC PARTNER

In addition to the monthly pension benefit, a Qualified Surviving Spouse/Domestic Partner may qualify for a health insurance subsidy. Neither Qualified Children nor parents are entitled to this benefit. The Surviving Spouse/Domestic Partner, may however, cover eligible dependents under his/her health insurance, but the subsidy would apply to the single-party health premium coverage level. The following three conditions must be met:

- 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 Board-approved health plan (offered by United Firefighters of Los Angeles City (UFLAC), Los Angeles Fire Relief Association (LAFRA) or the Los Angeles Police Relief Association (LAPRA)).

At age 65, the Qualified Surviving Spouse/Domestic Partner is required to enroll in Medicare to the fullest extent of entitlement to continue receiving a health insurance subsidy. If the survivor is eligible for both Part A and Part B of Medicare, (he/she will automatically qualify for Part B at age 65), LAFPP will reimburse the cost of the Part B premium.

Qualified Surviving Spouse/Domestic Partner may be eligible for the Health Insurance Premium Reimbursement Program. Reimbursement cannot exceed the maximum monthly health insurance subsidy allowed.

For more information on the Health Insurance Subsidy or the Health Insurance Premium Reimbursement Program, contact the Medical & Dental Benefits Section at (213) 279-3115.

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

Fire:

Los Angeles Fire Relief Association (LAFRA) or United Firefighters of Los Angeles City (UFLAC)

Police:

Los Angeles Police Relief Association (LAPRA)

Port & Airport:

Los Angeles Police Relief Association (LAPRA), and Firefighters of Los Angeles City (UFLAC)

Refer to page 14 for contact information.

OTHER BENEFITS FOR SURVIVORS

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

Public Safety Officers' Benefits Programs

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) Programs. PSOB Programs provide death and education benefits to survivors of fallen law enforcement officers, firefighters and other first responders. These benefits are provided by the U.S. Department of Justice in partnership with other public safety agencies and national organizations.

Receipt of PSOB benefits will not reduce survivor benefits received from LAFPP. Eligible survivors may file claims with the Bureau of Justice Assistance, or through the member's employing department. More information can be found online at www.psob.gov, or by calling (888) 744-6513.

State of California Death Benefits

California law requires that the City of Los Angeles carry workers' compensation insurance. This coverage benefits LAFPP members who sustain a work-related illness or injury. In addition, survivors may be entitled to benefits in the event the member sustains a work-related death.

Please note that the determination of whether a survivor qualifies for the workers' compensation death benefit is determined by the California Labor Code. **In addition, this benefit will impact the spouse's portion of a LAFPP survivor pension, while the survivor benefit paid for a qualifying child will not be affected.** However, the burial expense benefit does not impact any LAFPP survivor's pension.

For more information on the state of California's death benefits, you may call the California Department of Industrial Relations, Division of Workers' Compensation at (800) 794-6900, or visit their website at https://www.dir.ca.gov/dwc/dwc_home_page.htm.

Deferred Compensation Plan Benefits

Benefits may also be available if the deceased member participated in the City's Deferred Compensation Plan. For more information, contact Voya Financial, the plan administrator, at (213) 978-1601.

Social Security Benefits

LAFPP members do not contribute to, nor receive credit for Social Security during City service. However, a lump sum death benefit and/or monthly benefits may be available to survivors if the deceased member earned sufficient credits through other employment outside of the City. More information is available on the Social Security Administration's website at www.ssa.gov, or by calling (800) 772-1213.

Other Benefits

Survivors may also be eligible to collect life insurance proceeds through the various Fire and Police associations – see page 14 for contact information. In addition, survivors should check to see if benefits are available from retirement systems or other savings and investment plans to which the member may have contributed.

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 Los Angeles Fire and Police Pensions be contacted immediately.

Active member deaths should be reported to the Disability Pension Section, (213) 279-3165.

Retired member deaths should be reported to the Retirement Services Section, (213) 279-3125.

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 (or copy of the state certificate of registration of domestic partnership), if not already in the 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.

Additional information may be requested to establish survivor eligibility.

The mailing address for written correspondence is:

Los Angeles Fire and Police Pensions
701 East Third Street, Suite 200
Los Angeles, CA 90013

APPLYING FOR A SURVIVOR PENSION BENEFIT

Once the death of a retired member is reported, LAFPP will process documents to terminate the pension and direct deposit, if applicable. If there is a delay in reporting the death of a pensioner, any overpayment will be charged to the qualified survivor.*

The remaining steps will be taken in the event an active or retired member death is reported:

1. An **Application for Survivor Pension Benefits** will be mailed to the eligible survivor within 1-2 business days.
2. The application should be completed and returned with a copy of the death certificate and marriage certificate, if requested, and any other required documents. **Please note: It can take approximately 30-90 days to receive a death certificate from the county or other agency.**
3. Upon receipt of the application and all required documents, the request for a survivor pension benefit will be scheduled for review at the next available meeting of the Board of Fire and Police Pension Commissioners (Board). It is not necessary for an applicant to be present at the Board meeting. The Board normally meets on the first and third Thursdays of the month at 8:30 a.m.
4. Upon Board approval, the Qualified Survivor's pension will commence the following month. **Please note: It can take approximately 30-60 days from receipt of all required documentation before the first payment is issued to the Qualified Survivor.** Incomplete applications and/or missing documents will delay payment.

***Note:** The overpayment can be paid to LAFPP 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, which could create an additional burden for the survivor when rectifying the problem with the IRS and state Franchise Tax Board.

OTHER ACTIONS TO BE TAKEN

In addition to notifying LAFPP, the following is a suggested list of other actions to take in the event of a member's death.

- Gather all important documents.
- Obtain certified death certificate. You can order certified copies from your local county clerk or state health department. (It is common to 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 IRS 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

LOS ANGELES FIRE AND POLICE PENSIONS

Active Member Death: Disability Pensions - (213) 279-3165
Retired Member Death: Retirement Services - (213) 279-3125
Health Insurance Subsidy: Medical & Dental Benefits - (213) 279-3115

EMPLOYING DEPARTMENTS

Los Angeles Fire Department: Human Resources - (213) 978-3750
Los Angeles Police Department: Personnel Division - (213) 486-4650
Port of Los Angeles: Human Resources - (310) 732-3480
Los Angeles World Airport: Human Resources – (424) 646-5900

FIRE AND POLICE ORGANIZATIONS FOR ACTIVE AND RETIRED MEMBERS

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) 535-2775, (213) 251-4554

**Los Angeles Retired Fire & Police Association - (888) 288-5073,
(323) 283-4441, or (626) 285-5138**

Los Angeles Airport Peace Officers Association – (310) 242-5218

Los Angeles Port Police Headquarters – (310) 732-3500
Los Angeles Port Police Association (310) 347-8509

OTHER RESOURCES

City of Los Angeles Deferred Compensation Plan:
Voya Financial - (213) 978-1601

California Franchise Tax Board
(800) 852-5711

Internal Revenue Service
(800) 829-1040

Public Safety Officers’ Benefits Program
(888) 744-6513

Social Security Administration
(800) 772-1213



Los Angeles Fire and Police Pensions

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**www.lafpp.com
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