



Municipal Employees' Retirement System of Michigan
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Terminology

Beneficiary: An individual who is being paid or who has entitlement to the future payment of a retirement allowance or return of any employee contributions and earnings for a reason other than the individual's membership in the retirement system. Plan Document Section 2A (3).

Refund Beneficiary: A person or persons who will receive a refund of any employee contributions and interest earnings if the employee dies before they are eligible to receive a vested retirement benefit (e.g. before vesting requirement is met). In this situation, the survivor beneficiary is not eligible to receive any monthly benefit (except where an employee dies from a duty-related injury). Each named Refund Beneficiary will receive an equal portion of the deceased employee's contributions (if any) with interest earnings in one lump sum. An employee who is married cannot name a Refund Beneficiary(ies) other than their spouse without their spouse's written consent.

Successor Refund Beneficiary: A person or persons who will receive a refund of any employee contributions and interest earnings should the employee or the named Refund Beneficiary(ies) die, before the employee is eligible to receive retirement benefits and thus no survivor benefit is payable (for a duty death, vesting is disregarded). Each named Successor Refund Beneficiary will receive an equal portion of the deceased employee's contributions (if any) and interest earnings in one lump sum.

Survivor Beneficiary: An individual who is entitled to receive a lifetime monthly benefit after a vested employee's death (for duty death, vesting is disregarded). Your spouse is automatically your survivor beneficiary. However, he/she can waive that right, in writing, and allow another individual with an insurable interest in your life to be designated as your survivor beneficiary. You may not change your named survivor beneficiary on or after the date your first retirement payment is made. An employer may adopt the Post-Retirement Option (PRO) under plan section 23B, which allows a married retiree whose spouse-beneficiary dies after retirement to name a new spouse as survivor beneficiary.

Insurable Interest: Refers to a person who will suffer financial loss as a result of your death. Spouses, children, grandchildren, siblings, parents, and grandparents are presumed to be individuals having an insurable interest in your life. Other examples include a person with whom you own a house or other real estate together as cotenants, or a person who depends upon you for significant financial support and reasonably expects that support to continue for your lifetime.

Surviving Spouse: Your spouse is automatically your Refund Beneficiary and Survivor Beneficiary if you die prior to retirement. Your spouse may in writing decline to receive either benefit in favor of another named individual who has an insurable interest in your life.

Surviving Children under Age 21: If you die after vesting (disregarded in a duty-related death) and before retiring and you do not have a surviving spouse and you have not named a survivor beneficiary, your unmarried children under the age of 21 will receive a monthly benefit until they reach the age of 21 or become married, whichever occurs first. Each eligible child will receive an equal share of an amount that is one-half (50%) of your accrued retirement allowance. At the time a child becomes ineligible to receive the monthly benefit, the shares of the remaining children are recalculated.