

# Designating a Beneficiary

All Funds

An important aspect of membership in a New Jersey State-administered pension system is the payment of benefits to your named beneficiaries. Upon your death, the Division of Pensions and Benefits will pay death benefits to the last named beneficiary, or beneficiaries, on file with the Division. It is, therefore, very important to keep your beneficiary information up to date.

You should consider updating your *Designation of Beneficiary* form any time you experience a major life event such as marriage, civil union, divorce, dissolution of a civil union or domestic partnership, birth or adoption of a child, or the death of a spouse/partner, child, or parent. If you are unsure of your beneficiary designations, you may obtain this information online using the **Member Benefits Online System (MBOS)**. MBOS is a set of Internet based applications that allow registered members access to information about their pension. You must be registered with MBOS. To begin the process go to: [www.state.nj.us/treasury/pensions/mbosregister.htm](http://www.state.nj.us/treasury/pensions/mbosregister.htm)

If you are unable to access MBOS you can make a request in writing for the names of the beneficiaries on file with the Division of Pensions and Benefits. Write to the address below and include your name, Social Security number, and signature.

If you wish to **change** your beneficiary designation, you can safely do so using the MBOS system at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions). The new designations will become effective immediately. If you are unable to access MBOS you can submit a *Designation of Beneficiary* form which is available from your employer, by contacting the Division of Pensions and Benefits.

## Helpful Hints

- Carefully consider what you are trying to accomplish with your beneficiary designation. You may want to ask yourself these questions:
  - To whom and in what amount do you wish your benefits to be paid?

— Are there special needs or provisions you should consider in your designation?

- Be sure that you type or print (ink only) clearly on the *Designation of Beneficiary* form.
- Be sure that you clearly state your wishes for your beneficiary designation. In the event that your designation is not clear in any way, you will receive a letter from the Division of Pensions and Benefits asking you for clarification.
- If additional space is required, an attachment sheet is acceptable provided it is signed and dated by you. In addition to the beneficiary information, please be sure to print your name, address, daytime telephone number, and your Social Security number on the sheet.
- Any time you submit a *Designation of Beneficiary* form, the Division of Pensions and Benefits will provide you with documentation to confirm your decision. Be sure to read this document carefully to ensure that your wishes are interpreted correctly.

## **SPECIAL PROVISIONS**

There are special provisions if you nominate a trust or minor as beneficiary; choose a distribution of benefits other than the standard "share and share alike"; nominate a civil union or domestic partner; or act as power of attorney, as explained below.

### Nominating a Trust as Beneficiary

You may choose to designate an established trust to receive the group life insurance and/or pension benefit. If you elect to do so, you **MUST** provide the name and date of the trust and the name and address of the trustee to contact upon your death. You need not provide a copy of the trust with your *Designation of Beneficiary* form, but upon your death, we will request a copy from the trustee.

**Nominating a Minor as Beneficiary**

If you name a minor as beneficiary for the group life insurance and/or pension benefit, the manner of the designation makes a difference in how benefits are paid. The Division of Pensions and Benefits will withhold payment until one of the following occurs:

- The minor attains age 18 (funds can be held until the minor is emancipated), or;
- A court-ordered guardian of the property of the minor is appointed by the courts and proof of this is forwarded to the Division, in which case the benefits will be paid to the guardian on the minor's behalf and/or the court (according to the court document).

You may, however, choose to leave the group life insurance and/or pension benefit to a trust established on behalf of a minor. There are two types of trusts:

A **formal trust** is established through legal documents filed with your county court that designates a person or persons as "Trustee". When designating a formal trust on behalf of a minor beneficiary, you must clearly state "Formal Trust" on behalf of the minor and include the date of trust incorporation. For example:

*"John Taylor, Formal Trustee for Joshua Taylor, under the terms of the trust agreement dated January 1, 1993."*

An **informal trust** is one that has not been filed with the courts on behalf of the minor. The informal trustee(s) would be paid the specified benefits on behalf of the minor beneficiary. For example:

*"Jane Miller, Informal Trustee for June Doe, daughter."*

June Doe is the beneficiary but since she is a minor, Jane Miller would receive the benefits on June's behalf. Please state the minor's relationship to you, not to the trustee. The minor's address and birth date **MUST** be included on the form, as well as the informal trustee's address, whom we will contact upon your death.

**Note:** *The person(s) you designate as trustee(s) will assume all rights and privileges to the benefits that are paid and the Division will not be held responsible for any mishandling of the benefits.*

**Unequal Distribution**

If you wish to specify an unequal distribution among beneficiaries, you may indicate a percentage or a fraction next to the person's name.

Percentages must add up to 100%. For example:

*"Mary Smith, sister, 70%; Thomas Jones, brother, 30%" (70% + 30% = 100%)*

Fractions must add up to 1. For example:

*"Joe Jones, son, ¼; Jim Jones, son, ¼; Patty Smith, daughter, ½" (¼ + ¼ + ½ = 1)*

**Note:** In the case of an unequal distribution, if a designated beneficiary predeceases you, the deceased beneficiary's share becomes payable to your estate, unless you have stated otherwise on the form.

**Definite Dollar Amounts**

Active members may list a definite dollar amount for a beneficiary, but because the member's group life insurance fluctuates due to salary changes, a beneficiary must be named to receive the remaining balance. For example:

*"Bob Smith, brother, \$10,000; Joe Smith, son, the remaining balance."*

Retired members may list definite dollar amounts for their group life insurance beneficiaries since the retired group life insurance amount is established at the time of retirement and does not change. However, the total amount listed on your form must equal the exact amount of the retired group life insurance benefit. For example:

Betty Smith is a retired PERS member with a group life insurance benefit of \$4,732.50. An acceptable designation would be:

*"Dan Smith, son, \$3,000; Dave Smith, grandson, \$1,732.50."*

**Nominating a Spouse, Civil Union or Domestic Partner**

For State employees who are members of the Police and Firemen's Retirement System (PFRS), State Police Retirement System (SPRS), or Judicial Retirement System (JRS), may name a spouse, civil union partner, or eligible same-sex domestic partner to receive the monthly survivor pension benefit upon your death as an active employee or retiree. A photocopy of the *Marriage Certificate, Civil Union*

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*Certificate*, or *Certificate of Domestic Partnership* must be provided for verification.

**Note:** A *New Jersey Certificate of Domestic Partnership* dated prior to February 19, 2007 or a valid certification from another jurisdiction that recognizes same-sex domestic partnerships is required for verification before survivor benefits will be paid. For local employees who are PFRS members the local employer must have adopted a resolution extending domestic partnership

For members of the other State-administered retirement systems (Public Employees Retirement System (PERS), Teacher's Pension and Annuity Fund (TPAF), etc.), proof of marriage, civil union, or domestic partnership is not normally required; however, proof would be required in the event of your accidental death in service before an eligible surviving spouse/partner would receive a monthly survivor pension benefit.

#### **Power of Attorney**

In accordance with the New Jersey Administrative Code, you may choose to nominate someone to act as your power of attorney. However, the power of attorney document must **specifically** grant that per-

son the right to change or update beneficiary information if you wish for them to have that power. Further, if you wish to give them the power to do so, it must **specifically** state that they may name themselves as beneficiary.

#### **How to Change Your Beneficiary Form**

Members can immediately update their beneficiary information using the Member Benefits Online System (MBOS). Register with MBOS at: [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions) (select "Online Member Services - MBOS").

You can also obtain a *Designation of Beneficiary* form from your employer, by contacting the Division of Pensions and Benefits, or over the Internet at: [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions)

#### **For More Information**

If you have questions about completing your *Designation of Beneficiary* form: write to the Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295, send an e-mail to [pensions.nj@treas.state.nj.us](mailto:pensions.nj@treas.state.nj.us) or call the Division's Office of Client Services at (609) 292-7524.

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