

# Option D for Active Members (MSRB)

## Active Member In-Service Death

Nominate an eligible beneficiary to receive the Option C retirement allowance payable in the event the active member passes away prior to retirement.

## MA State Employees Retirement Options; When D Comes Before C

**D usually comes after C – except in retirement.**

Most members are aware of the **payment options** available to them when they retire, Option A, Option B, or Option C. Few members, however, are aware of Option D, the member survivor allowance. Option D is actually not a retirement option for the member, but it does provide for a lifetime benefit for the member's beneficiary. It is only activated in the event the member dies while still employed for the Commonwealth (active service). This is the option members of the State Employees' Retirement System hope never to activate!

Option D is an optional benefit under M.G.L. c. 32 §12(2). It provides for a lifetime monthly allowance for the member's beneficiary. The monthly allowance is equal to the full Option C allowance the member would have received had they retired on the date of their death. A member must have at least two years of creditable service with the Commonwealth and if they are not yet 55, the allowance will be calculated as if the member were 55 at the time of their death.

As mentioned above, this is an optional benefit.

1. Option one is to receive the member's annuity as a lump sum distribution by either getting a direct refund or rolling it over into an eligible account.
2. Or, option two is to receive the monthly Option D survivor allowance, which could possibly be more beneficial to them over time.

Under certain circumstances, a member's spouse may be eligible to elect to receive an Option D benefit, but a member may always file an Option D form to nominate a beneficiary. A member must file this form if he or she has been married for less than one year and wishes for their spouse to receive this benefit. (The distribution of benefits following a member's death in service may also be impacted by a member's prior marriage and any related court orders.)

A member who wishes to nominate an eligible beneficiary should complete an Option D form and file it with the Board. The form must be on file with the Board prior to the member's date of death. If a member would like to offer this optional benefit to a beneficiary that is not their spouse, the Option D form is required. Eligible beneficiaries include a child, parent, sister, brother or unmarried former spouse.

If you have beneficiaries on file with the Board that are not your current spouse but have not filed an Option D form, they will not be eligible for the survivor allowance. Also, only one person can be named as an Option D

beneficiary. Multiple beneficiaries are only eligible for a lump sum distribution of your annuity provided there is no Option D beneficiary on file.

The Option D beneficiary can be changed or canceled at any time by sending a request in writing to the Board. Once a member retires, the Option D form on file with the Board becomes void and the retirement option chosen by the member goes into effect – either Option A, B, or C – because in this case D came before A, B, and C.

**For more information about Option D, visit [PERAC'S website](#).**

**Note, whenever your personal circumstances change you should review, and update if needed, your beneficiary(ies) on file at the Board.**