STATE OF MARYLAND
MILITARY DEPARTMENT
FIFTH REGIMENT ARMORY
BALTIMORE, MARYLAND 21201-2288

MDNG-AG-SPMO 18 April 1989

SPMO POLICY/GUIDANCE LETTER #18

SUBJECT: Technician Death Benefits - Survivor Benefit/Lump-Sum Payment

SEE DISTRIBUTION

1. BENEFITS (CSRS).

a. There are two types of CSRS Death Benefits; Survivor Benefit and Lump-Sum Payment. Survivor annuities may be payable upon the death of a technician to the widow or widower and/or children. Normally, the survivor annuity payable to a widow or widower will be 55% of the smaller of the two following computations:

(1) An amount computed under a general formula used for retiring employees on the basis of the deceased technician's high three-year annual average pay after increasing the years service by the period of time between the date of death and the date the employee would have reached age 60, or

(2) 40% of the technician's high three-year annual average salary.

b. The yearly survivor annuity payable to each child, when there is a surviving spouse, is the lesser of the following amounts:

(1) 60% of the technician's high three-year average annual salary divided by the number of eligible children, or

(2) $8,442.00 divided by the number of eligible children, or

This SPMO Policy/Guidance Letter supersedes SPMO Policy/Guidance Letter #18 dated 22 December 1986, same subject.

(3) $2,807.00

c. A lump-sum benefit may be payable upon the death of a technician if there is no widow, widower or children entitled to survivor annuity. Payment will be made based on Designation of Beneficiary, SF 2808 (enclosure), made by the technician and filed in the Official Personnel Folder. If no Designation of Beneficiary has been made, the lump-sum death will be paid according to the established order of precedence. The lump-sum benefit payable is the amount the technician paid into the retirement fund.

d. Conditions to be met by the technician for survivor annuity to a widow or widower are:

(1) Must have completed at least 18 months of civilian service and

(2) died while employed in a position subject to the retirement system.

e. Conditions to be met by the widow or widower for survivor annuity:

(1) Must have been married to the technician for at least one year immediately preceding the technician's death or

(2) be the parent of a child born of the marriage with the technician.

(3) Remarriage prior to reaching age 60 terminates the survivor annuity.

(4) Remarriage after age 60 does not affect the survivor annuity.

f. Conditions to be met by a child for survivor annuity (this includes legally adopted children, step-children and acknowledged illegitimate children provided the child had lived with the technician in a regular parent-child relationship):

(1) Must be under age 18, and

(2) be unmarried.

(3) Unmarried children over age 18 who are full-time students may continue to receive survivor annuity until age 22.

g. Upon the death of a technician, SPMO should be notified immediately. SPMO will compute the survivor annuity estimate

payable and coordinate with the deceased technician's supervisor for a personal visit by a SPMO representative to the widow or widower to give a complete briefing of all benefits payable. The SPMO will complete all forms necessary and forward to the Office of Personnel Management (OPM) for the survivor.

2. **SURVIVOR BENEFITS (FERS)** - The Basic Benefit Plan provides benefits for survivors of Federal employees and retirees:

a. If a technician dies while an employee is married and had worked for the Federal Government for 18 months, his/her spouse would receive a lump-sum payment equaling $15,000 (indexed to the cost-of-living adjustments for annuitants) plus the higher of 1/2 the technician's annual rate of pay at death or, 1/2 of the technician's high three average pay.

b. If the technician had 10 years of service the spouse would also receive an annuity equaling 50% of the accrued Basic Retirement Benefit. These benefits would be paid in addition to any social security, group life insurance or savings plan survivor benefits.

3. If an individual dies while a retiree:

a. The annuity is reduced to provide spouse survivor benefits unless those benefits are jointly waived in writing by the retiree and the spouse before retirement.

b. The annuity is reduced 10% to give the spouse an annuity of 50% of the unreduced benefit plus a special supplementary annuity payable until age 60 if he/she is not eligible for social security survivor's benefits until age 60. Special provisions apply to spouses of disabled annuitants.

4. A former spouse may receive survivor benefits as provided in a retiree election or a qualifying court order.

FOR THE ADJUTANT GENERAL:

Enclosure

LAWRENCE F. McBEE
COL, GS, MDARNG
Personnel Officer

DISTRIBUTION:

All Full-Time Support Managers/
Supervisors (Army and Air)