



# **\$500 DEATH BENEFIT FOR RETIRED AND DISABLED EMPLOYEES**

## **BACKGROUND AND HISTORY**

The \$500 death benefit was established by MN Statute for all retired state employees in 1977.

In 1979, the benefit was expanded to include disabled state employees.

In 1981, it became a negotiable benefit as part of the collective bargaining process.

This benefit appears in each of the state contracts and salary plans beginning sometime during the period of 1981 to 1985.

As of January 1, 2008, the benefit is no longer available to newly retired employees or to employees placed on an unpaid disability leave on or after that date.

Employees who retired or were placed on an unpaid long term disability leave prior to January 1, 2008, are still eligible for this benefit under the provisions of the contractual agreement/salary plan in effect at the time of the employee's separation from employment. Claim processing information is found at the end of this document.

## **ELIGIBILITY**

### **Retirees -- July 1, 1977 through June 30, 1981**

Minnesota Statutes Section 43A.35 provides that employees who retire from the civil service on or after July 1, 1977, through July 1, 1981, shall be entitled to a \$500 cash death benefit payable to a beneficiary designated by the employee if, at the time of the employee's death, the employee is entitled to an annuity under a state retirement program.

### **Disabled employees -- July 1, 1979 through June 30, 1981**

A \$500 cash death benefit shall be payable to the designated beneficiary of a civil service employee who becomes totally and permanently disabled after July 1, 1979, through June 30, 1981, and who at the time of death is receiving a state disability benefit and is eligible for a deferred annuity under a state retirement program.

### **Retirees and disabled employees -- July 1, 1981 and later**

Beginning July 1, 1981, the \$500 death benefit for retirees and permanently disabled employees, along with all other insurance benefits, became negotiable as part of the collective bargaining process. The effective dates of this benefit after July 1, 1981 are:

<b>Unit #</b>	<b>Bargaining Unit</b>	<b>Effective Dates of Benefit: Separation must have occurred on or between the effective dates</b>
201	Law Enforcement	July 1, 1981 – December 31, 2007: Benefit under union contract
202, 203, 204, 206, 207, 208, 213	AFSCME	July 1, 1981 - August 10, 1981: No benefit August 11, 1981 – December 31, 2007: Benefit under union contract
205	Minnesota Nurses Association	July 1, 1981 – December 31, 2007: Benefit under union contract
209	Inter Faculty Organization (IFO)	July 1, 1981 – December 31, 2007: Benefit under union contract
210	MN Community College Faculty Association (MCCFA)	July 1, 1981 - September 20, 2002: No Benefit
210	MN State College Faculty (MSCF)	September 21, 2002 – December 31, 2007: Benefit under union contract
211	MN State University Administrative and Service Faculty (MSUAASF)	July 1, 1981 – December 31, 2007: Benefit under union contract
212	MN Government Engineering Council (MGEC)	July 1, 1981 - June 30, 1985: No benefit July 1, 1985 – December 31, 2007 Benefit under union contract
214	MN Association of Professional Employees (MAPE)	July 1, 1981 - June 30, 1985: No benefit July 1, 1985 – December 31, 2007: Benefit under union contract
216	Middle Management Association (MMA)	July 1, 1981 - June 30, 1985: No benefit July 1, 1985 – December 31, 2007: Benefit under union contract
217	Commissioners Plan	July 1, 1981 - June 30, 1985: No benefit July 1, 1985 – December 31, 2007: Benefit under plan
220	Managerial Plan	July 1, 1981 - June 30, 1985: No benefit July 1, 1985 – December 31, 2007: Benefit under plan
224	United Technical College Educators (UTCE)	July 1, 1995 – September 20, 2002; Benefit under union contract

## REPORTING CLAIMS

### **Employee Separation Date of July 1, 1977 through May 14, 1984**

Upon the death of an eligible employee who retired on or after July 1, 1977, or was permanently disabled with a disability annuity on or after July 1, 1979, and with a separation date through May 14, 1984, the college or university that the employee separated from must pay the deceased employee's designated beneficiary the \$500 cash death benefit. Each college or university should have retained the separated employee's beneficiary designation that was obtained at the time of the employee's separation from employment. The college or university must determine the beneficiary designated by the employee at the time of separation, and then issue a check through the normal accounts payable process. If no beneficiary designation was made, or the designated beneficiary pre-deceased the employee and no subsequent designation was made by the employee prior to his/her death, the \$500 cash payment must be made in the same manner as the state life insurance default beneficiary designations. Claims should be reported to the human resources office of the college or university the employee worked for at the time of separation.

### **Employee Separation Date of May 15, 1984 through December 31, 2007**

Beginning May 15, 1984 and ending December 31, 2007, the state negotiated a single payment insurance policy with Minnesota Mutual Life Insurance Company (Minnesota Life). A certificate of a paid up \$500 death benefit was issued to eligible employees who separated or went on an unpaid disability leave on or after this date. The last employer paid the premium for this policy in a lump sum to Minnesota Life at the time of the employee's separation.

Upon the death of an eligible employee who separated on or after May 15, 1984 and before January 1, 2008, and if a certificate was issued to the employee at that time, Minnesota Life will pay the designated beneficiary the \$500 death benefit. Claims should be reported to Minnesota Life at (866) 293-6047.

***NOTE: If the eligible employee did not complete the application for this life insurance policy at the time of separation or the last employing college or university did not submit the application with the appropriate payment to Minnesota Life, the college/university is responsible for direct payment of this benefit to the beneficiary(ies) upon the death of the eligible employee. Minnesota Life will determine if a policy of paid up life coverage was issued to the employee. If there was none, the college or university will make the \$500 cash payment to the appropriate beneficiary through the normal accounts payable process.***