



## Survivor Refund (Traditional Plan Only)

### General Information

If the member does not have one of the following qualified survivors at retirement, they will receive a survivor refund. A survivor refund is paid at the time a member's retirement claim is finalized. Survivors in the Traditional Benefit Plan include:

- Spouse/Civil Union Partner;
- Unmarried child(ren) under 18, or up to age 22 if a full-time student;
- Disabled child(ren) 18 or over if disabled prior to age 18;
- Financially dependent parent(s) age 55 or over.

Information regarding the survivor refund will be sent to the member after SURS has started to process the retirement claim. If you elect to apply for the refund but fail to respond by the third request, your refund will be issued as a lump-sum cash distribution with appropriate taxes withheld.

This fact sheet is simply a tool that the member can use to determine the method of payment for the survivor refund.

### Distribution Options

A survivor refund may be paid in the following manner:

**1. Lump-sum distribution – less 20% for federal income tax**

**2. Rolled into an IRA or another qualified 401(a) Defined Contribution Retirement Plan**

**3. Combination of #1 and #2**

A portion may be paid as a lump-sum distribution and a portion may be rolled into an IRA

- Any portion paid as a lump sum is subject to federal income tax

**4. Additional retirement annuity**

If a member chooses the additional retirement annuity, SURS will annuitize the survivor refund over the retiree's actuarial life expectancy.

- No annual increase on the additional annuity.
- Single Life Annuity – paid over the member's lifetime only. Any balance remaining at the time of death would be included in the death benefit.

**5. To a future qualified survivor**

The survivor refund may be left on deposit with SURS for a future qualified survivor.

**6. Purchasing service credit**

If a member has eligible service to purchase with SURS, the survivor refund may be used as an internal rollover to purchase the credit

- The member must submit a letter with the completed Application for Retirement Annuity stating his/her intent to use the survivor refund as an internal rollover for service credit purchase.
- The letter must be received at SURS prior to the effective date of retirement with the exception of backdating. This transaction can only be completed at the time of retirement.
- If backdating, the cost of the purchase cannot exceed the survivor refund amount.