

TRS MEMBER SERVICES video series.

2. NAMING A BENEFICIARY

Video file : Naming A Beneficiary v5

FINAL VIDEO TRANSCRIPT

00:00

OPENING GRAPHICS

00:09

KATHRYN MARIN:

Designating a beneficiary to receive your TRS benefits can be one of the most important things you do as a TRS participant.

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Because this decision is such a personal one, TRS encourages you to carefully consider your options to ensure that your decision best serves your interests.

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This video will provide a brief overview of significant events throughout your life and career that should prompt a review of your beneficiary designation and things to consider when doing so.

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Let's say you pass away before you retire. As an active member, death benefits are payable to your beneficiary.

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Naming and keeping your beneficiary up to date could save your loved ones from unnecessary legal expenses

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and delay in distributing any benefits payable upon your death to the person you wish to receive them.

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If you do not designate a beneficiary or if your beneficiary designation is invalid,

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TRS will pay any death benefits payable under the plan terms in Texas law.

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The law provides that in the absence of a designated beneficiary, your surviving spouse is eligible to receive the benefits;

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if there is no surviving spouse, TRS will pay according to the statutory order of other related survivors or if there are none, TRS will pay your estate.

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There are two types of beneficiary: Primary and Alternate

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Primary beneficiaries are the people or entities who are eligible to receive death benefits payable by TRS.

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Alternate beneficiaries are those who are eligible to receive a benefit only if there are no primary beneficiaries eligible to receive the benefit.

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If your primary beneficiaries and alternate beneficiaries predecease you, TRS will pay according to the statutory order of precedence under the plan terms.

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When choosing a beneficiary, you may want to ask yourself the following questions:

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Is my spouse or anyone else dependent on me for income or financial support?

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Do I want to provide for more than one person when I pass away?

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Do I need to provide for a minor child or incapacitated adult?

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If you intend to name a minor or incapacitated person, TRS encourages you to seek legal advice to ensure that benefits will be paid as you intend.

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If you intend to designate a trust, an organization, or your estate as your beneficiary for death benefits,

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TRS encourages you to seek legal advice about any tax consequences of such a designation and the impact this may have on your estate.

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Also, naming a trust, an organization, or your estate as a beneficiary may affect the ability of the benefit to be rolled over to another eligible retirement plan.

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Your named beneficiary will remain in effect until you retire.

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You can name as many beneficiaries as you wish, and change them anytime.

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It's a good idea to review your beneficiary designation every year or after a life-changing event

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such as marriage, divorce, the birth of a child, or a death in the family.

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At retirement, as you embark on this new phase of life, you will need to designate your beneficiaries again.

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Please refer to the TRS Benefits Handbook for more information.

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To designate your beneficiary or change your beneficiary, visit the TRS website at www.trs.texas.gov to obtain a Designation of Beneficiary form.

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You should fill in the required information on the form, sign it and mail the original form directly to TRS.

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Your employer is not authorized to receive the form on behalf of TRS.

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Keep in mind; your beneficiary designation is not effective until TRS receives the form and it must be received prior to your death.

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If you have any questions, please visit the TRS website or call us at 800-223-8778 to speak with a TRS Benefits Counselor.

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Thanks for watching.