

## 1.8.1 Purpose and Legislative History

Prior to 7-31-46, an employee could elect to receive a reduced annuity during his lifetime in order to provide his surviving spouse with an annuity after his death. To elect a joint-and-survivor annuity, an employee had to furnish the Board with a clear and unambiguous choice of option (over his personal signature) before 7-31-46.

The right to elect a joint-and-survivor annuity terminated on 7-31-46. However, any election made by an employee before that date remains effective if:

- A joint-and-survivor annuity was awarded before 7-31-46; or
- A joint-and-survivor annuity began to accrue before 1-1-47, but was neither awarded before 7-31-46 nor revoked before 8-1-47; or
- A joint-and-survivor annuity began to accrue after 12-31-46 and the election was reaffirmed before 1-1-48.

NOTE: When the file contains the lower portion of RL-9d signed by the employee, applicant, or annuitant received at an office of the Board on or before 12-31-47, it is evidence of reaffirmation.

An election is not effective if the annuity begins to accrue after 12-31-46 and the election was not reaffirmed before 1-1-48.

Beginning 11-1-51, an employee who elected a joint-and-survivor annuity may revoke his election despite the fact that his spouse is still living or that he is already receiving an annuity. When such revocation occurs after the annuity beginning date, the reduction is removed effective with the first month after revocation. If the spouse dies before the employee, the election is automatically revoked.

## 1.8.2 Options Available

An employee could elect one of three options in order to provide his surviving spouse with an annuity during her lifetime. The three options were:

- 100 percent of the reduced annuity payable to the employee annuitant (Option A); or
- 75 percent of the reduced annuity payable to the employee annuitant (Option B); or
- 50 percent of the reduced annuity payable to the employee annuitant (Option C).

After payment of a joint-and-survivor annuity is authorized, the employee receives a reduced annuity for the remainder of his life unless the election is revoked.

No payment by reason of the election is made to the spouse of an employee during his lifetime.

### 1.8.10 Reaffirmation Of Election

Reaffirmation of an election before 1-1-48 (usually accomplished by the completion and return to the Board of the lower portion of RL-9d) reestablished an election as of the date of the receipt of the original communication. However, further opportunity for rebuttal of the election is afforded the applicant, based on his lack of knowledge of additional reduction, provided:

- The annuity is subject to the 1/180 reduction for each month the employee is under age 65 when the annuity begins to accrue; or
- The actuarial value of the joint-and-survivor annuity is based on the subnormal life table.

### 1.8.11 When A Reaffirmed Election Becomes Invalid

- A. Before Annuity Beginning Date - A reaffirmed election of a joint-and-survivor annuity becomes invalid before the annuity beginning date if:
1. The employee dies before the ABD; or
  2. The spouse dies before the ABD; or
  3. The marriage between the employee and his spouse is dissolved before the employee's ABD; or
  4. The employee revokes his election after 11-1-51 and before the ABD.
- B. After Annuity Beginning Date - A reaffirmed election becomes invalid after the annuity beginning date when the marriage of the employee and his spouse is dissolved, or the employee voluntarily revokes his election. The beginning date of the single-life annuity is determined as follows:
1. Dissolution of Marriage
    - a. When dissolution of the marriage is due to a final divorce decree, the single-life annuity is effective from the date on which the marriage is actually dissolved.
    - b. When dissolution of the marriage is due to the death of the spouse, the single-life annuity is effective from the first day of the month after the month in which the spouse dies. However, POD of the spouse must be furnished the Board or, in lieu of POD, [an

unambiguous statement] revoking the election must be received from the annuitant in the month the spouse died.

2. Annuitant Revokes Election - When an annuitant submits an unambiguous statement requesting revocation of the election, the effective date of the single-life annuity is the first day of the month after the month in which the request is received at an office of the Board.

### **1.8.20 When Proof Of Health Is Required**

When the annuity begins before the month the applicant attains age 65 and proof of health has not been furnished within 6 months before the ABD, send the claim to DPS for a determination of the physical condition of the applicant as of the ABD. Request DPS to obtain any necessary medical evidence.

If the evidence establishes the absence of any disease or condition which would tend to shorten the applicant's life, base the annuity on normal life expectancy. Otherwise, base the annuity on subnormal life expectancy if the election is allowed to stand.

Inform an applicant whose life expectancy is subnormal of the effects of the application of the disabled-life mortality table so that he can revoke the election if he wishes.

### **1.8.21 Securing Annuity Factor In Subnormal Life Expectancy Cases**

When the annuity must be computed on the basis of subnormal life expectancy, obtain the factor for reducing the annuity from the Chief Actuary by memorandum. Include in the memorandum under "Subject" the claim number, name of applicant, and the notation "Factor for reducing annuity under joint-and-survivor option." Show the following data in the body of the memorandum:

- The original beginning date of the annuity.
- The date of birth of the employee and that of the spouse.
- The section of the Act under which the employee annuity will be awarded. (When the annuity is to be awarded under Sections 2(a)2, or 2(a)3 of the Act, and the employee's life expectancy is determined to be subnormal by DPS, state that fact.)
- The option elected.

Send the claim folder with the memorandum to the Chief Actuary.

