



# Introduction

## Choice of Option at Retirement

Pursuant to Massachusetts General Laws, Chapter 32, Sections 12(1) and 12(2)

Form Last Revised: February, 2020

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The *Choice of Option at Retirement* Form allows a member who has applied for retirement to select whether to receive their entire retirement allowance during their lifetime or to leave a lump sum or allowance for their survivor(s).

Keep in mind:

- You may only select one Option.
- Please consult with your retirement board to be certain that you understand the effect of selecting an Option. Your retirement board can provide you with a personalized estimate of each benefit.
- If you are married, the Spousal Acknowledgement on this form must be signed by your spouse.
- A disinterested witness should sign pages 6 and 7 of this form.

# Choice of Option at Retirement

Pursuant to Massachusetts General Laws, Chapter 32, Sections 12(1) and 12(2)

Form Last Revised: July, 2019

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**Retirement Board:** Please enter your retirement board information here.

|                                  |                      |                  |                      |
|----------------------------------|----------------------|------------------|----------------------|
| <b>Name of Retirement Board:</b> | <input type="text"/> |                  |                      |
| <b>Address:</b>                  | <input type="text"/> |                  |                      |
| <b>City/Town:</b>                | <input type="text"/> | <b>Zip Code:</b> | <input type="text"/> |
| <b>Telephone:</b>                | <input type="text"/> | <b>Fax:</b>      | <input type="text"/> |

## Member's Information:

|                           |                            |                                      |                      |
|---------------------------|----------------------------|--------------------------------------|----------------------|
| <input type="text"/>      | <input type="text"/>       | <input type="text"/>                 |                      |
| <b>Member's Last Name</b> | <b>Member's First Name</b> | <b>Social Security # (last four)</b> |                      |
| <b>Street Address:</b>    | <input type="text"/>       |                                      |                      |
| <b>City/Town:</b>         | <input type="text"/>       | <b>State:</b>                        | <input type="text"/> |
| <b>Zip Code:</b>          | <input type="text"/>       |                                      |                      |
| <b>Email:</b>             | <input type="text"/>       |                                      |                      |
| <b>Phone:</b>             | <input type="text"/>       |                                      |                      |

## Instructions

When you apply for retirement, you may select one of three retirement allowance payment Options (A, B or C). For the Option selection to be valid, this completed form must be filed with your retirement board:

- On or before the date the board receives your written application for retirement, or
  - On or before the date your allowance becomes effective, or
  - Not more than 15 days after the board receives a written application for your involuntary retirement from your department head.
1. You may change your Option selection before your retirement becomes effective by filing a new form.
  2. You may not change your Option selection once your retirement becomes effective.
  3. **If no Option selection is made, your allowance will be paid under Option (B).**
  4. If you are married, the spousal acknowledgement at the end of this form must be signed by your spouse.

## Choice of Option at Retirement

Member Last Name: First Name: 

SSN: \*\*\*-\*\*-\_\_\_\_

### 1. Explanation of Retirement Options

After reviewing **ALL** of the retirement options below, please select **ONE** option by checking the corresponding box in **Section 5** on page 6.

#### Option (A) No Payment to Beneficiary

This Option provides for a full retirement allowance payable in monthly installments during your lifetime. All allowance payments will cease upon your death and no benefits will be provided for any survivors.

**Do not complete sections 3 & 4.**

#### Option (B) Lump Sum Payment to Beneficiary

The payments under this Option are smaller than under Option (A). The annuity portion of your allowance is reduced to allow a lump sum benefit for your named beneficiary(ies). Upon your death, your named beneficiary(ies), or if there is no beneficiary living, the person or persons appearing in the judgment of the retirement board to be entitled thereto will be paid the unexpended balance of your annuity account. Please note that the contributions comprising the annuity account will be depleted within approximately twelve to fifteen years depending upon your age at retirement. The longer you live, the less will be paid to your beneficiary(ies) upon your death. If your account has been fully depleted, nothing will be paid to your named beneficiary(ies). You may designate and change at any time, one or more beneficiaries to receive in designated proportions, the lump sum Option (B) benefit. This Option takes effect upon your retirement and supercedes any prior beneficiary selections. **Do not complete sections 2 & 4.**

#### Option (C) Payment of Allowance to Beneficiary

Election of Option (C) provides for a monthly retirement allowance during your lifetime that is less than you would receive under either Option (A) or Option (B). Upon your death your designated beneficiary will be paid a monthly allowance for the remainder of his or her lifetime. That allowance will be equal to two-thirds of the allowance that you were receiving at the time of your death. The monthly allowance you receive under Option (C) is based upon life expectancy factors for you and your designated beneficiary. Only your spouse, former spouse who has not remarried, mother, father, sister, brother or child may be designated as your Option (C) beneficiary. The younger your beneficiary, the smaller your retirement allowance will be. If, after you retire, your Option (C) beneficiary predeceases you, you will thereafter be paid the full retirement allowance you would have received had you elected Option (A) at the time your retirement allowance became effective. This conversion is commonly referred to as the Option (C) "pop-up". Please note that after the Option (C) "pop-up" takes place you may not name another Option (C) beneficiary or choose another Option.

**Do not complete sections 2 & 3.**

Member Last Name:

First Name:

SSN:

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2. Option A Only

There is no beneficiary when Option A is selected. Of all three options, Option A provides the highest possible monthly allowance to a retiree. It does not provide for any continuing survivor benefits. Upon the death of the member who has selected Option A:

- All payments will stop.
- No future monthly payments will be made to anyone.
- No pay out of the remaining balance in the annuity account (if any) will be made.
- A pro-rata share of any amounts due at the death of the member (which will vary depending upon the date of the member's death) shall be payable to a recipient designated by the member.

I, \_\_\_\_\_, understand that in picking Option A only the amount of retirement allowance still owed to me at the time of my death will be payable to a recipient or recipients designated by me.

I hereby designate the following to receive the pro-rata share of my retirement allowance still due to me on the date of my death.

Pro-Rata Recipient or Recipients:

|                               |        |                |  | % of<br>Benefit** |
|-------------------------------|--------|----------------|--|-------------------|
| Full Name: (First, MI, Last): |        | SSN/EIN*:      |  |                   |
| Relationship to You:          | Phone: | Date of Birth: |  |                   |
| Address:                      |        |                |  |                   |
| Full Name: (First, MI, Last): |        | SSN/EIN*:      |  |                   |
| Relationship to You:          | Phone: | Date of Birth: |  |                   |
| Address:                      |        |                |  |                   |
| Full Name: (First, MI, Last): |        | SSN/EIN*:      |  |                   |
| Relationship to You:          | Phone: | Date of Birth: |  |                   |
| Address:                      |        |                |  |                   |
| Full Name: (First, MI, Last): |        | SSN/EIN*:      |  |                   |
| Relationship to You:          | Phone: | Date of Birth: |  |                   |
| Address:                      |        |                |  |                   |
| Full Name: (First, MI, Last): |        | SSN/EIN*:      |  |                   |
| Relationship to You:          | Phone: | Date of Birth: |  |                   |
| Address:                      |        |                |  |                   |

\*Recipient's full Social Security Number (SSN) or Employer Identification Number (EIN), if an organization.  
\*\*Total must equal 100%; if no percentages are indicated, benefit will be allocated equally among recipients.

## Choice of Option at Retirement

Member Last Name:

First Name:

SSN:

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## 3. Option B Only — Beneficiaries

If you selected Option B, please fill in your beneficiary(ies) below:

## Beneficiary Information:

| Beneficiary Information:      |           |                | % of Benefit** |
|-------------------------------|-----------|----------------|----------------|
| Full Name: (First, MI, Last): | SSN/EIN*: |                |                |
| Relationship to You:          | Phone:    | Date of Birth: |                |
| Address:                      |           |                |                |
| Full Name: (First, MI, Last): | SSN/EIN*: |                |                |
| Relationship to You:          | Phone:    | Date of Birth: |                |
| Address:                      |           |                |                |
| Full Name: (First, MI, Last): | SSN/EIN*: |                |                |
| Relationship to You:          | Phone:    | Date of Birth: |                |
| Address:                      |           |                |                |
| Full Name: (First, MI, Last): | SSN/EIN*: |                |                |
| Relationship to You:          | Phone:    | Date of Birth: |                |
| Address:                      |           |                |                |
| Full Name: (First, MI, Last): | SSN/EIN*: |                |                |
| Relationship to You:          | Phone:    | Date of Birth: |                |
| Address:                      |           |                |                |

\*Beneficiary's full Social Security Number (SSN) or Employer Identification Number (EIN), if an organization.

\*\*Total must equal 100%; if no percentages are indicated, benefit will be allocated equally among lump-sum beneficiaries.

%

## 4. Option C Only — Beneficiary

If you selected Option C, please fill in your beneficiary below. An Option C beneficiary may only be your spouse, former spouse who has not remarried, mother, father, sister, brother, or child.

Beneficiary's Name:

\*\*Relation to Member:

Date of Birth:

Social Security #:

Member's Signature

Date:

Member's Social Security # (last four):

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\*\*Please include birth certificate and marriage certificate, if applicable.

# Choice of Option at Retirement

Member Last Name:

First Name:

SSN:

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## 5. Option Selection and Signature

Please check the Option you have selected and sign your name at the bottom.

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### Option (A)

I choose to have my retirement allowance paid in accordance with the provisions of Massachusetts General Laws, Chapter 32, Section 12(2)(a) which provides the largest possible payment to me under the retirement law and that all payments thereunder cease at my death. No payment will be made to any beneficiary upon my death. If married, spouse must acknowledge this selection in Section 6.

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### Option (B)

I choose to have my retirement allowance paid in accordance with the provisions of Massachusetts General Laws, Chapter 32, Section 12(2)(b) which provides for a smaller retirement allowance for my life but provides that my designated beneficiary(ies) will receive any amounts remaining in my annuity account at my death. If married, spouse must acknowledge this selection in Section 6.

☐

### Option (C)

I choose to have my retirement allowance paid in accordance with the provisions of Massachusetts General Laws, Chapter 32, Section 12(2)(c) which provides an allowance which will be smaller than those under Option (A) or Option (B) but that upon my death two-thirds of this allowance will be paid to the named beneficiary for said beneficiary's life. If married, spouse must acknowledge this selection in Section 6.

**Member's Signature:** I have read and understand the provisions of Option ☐ selected above.

Print Name:

Signature:

Date:

Social Security # (last four):

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## 6. Witness Signature

**To Be Completed By Witness** (should be disinterested party):

**To the Retirement Board** - I have read this form with the member whose selection of an Option is made on this document and at his or her request have witnessed his or her signature thereto.

Witness' Name (Print):

Street Address:

City/Town:

State:

Zip Code:

Witness' Signature:

Date:

## Choice of Option at Retirement

Member Last Name:

First Name:

SSN:

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### 7. Spousal Acknowledgement

Unless there is a Domestic Relations Order in effect, if a member is married, the election of an option shall not be valid unless it is accompanied by the signature of the member's spouse.

- The member's spouse must indicate that he/she has reviewed the Option selected and understands it.
- It is up to the retirement board to explain the three options to the member and the spouse.
- If an option selection of a married member is not accompanied by a spouse's signature, the retirement board will take steps, outlined in the statute, to contact the member's spouse directly.

**IMPORTANT:** If you are the spouse of a member, please be certain you have read and understand the foregoing provision relating to your spouse's Option selection. If you do not understand any part of the Option selected by your spouse, please ask for an explanation from your spouse's retirement board. Your signature is not consent or approval, only an acknowledgement of the Option chosen by your spouse.

- Do not sign below unless you understand the Option selected by your spouse and the benefits to which you may or may not be entitled to at his/her death.

I am \_\_\_\_\_, the spouse of \_\_\_\_\_.

I understand my spouse has selected Option \_\_\_\_\_ as the method by which his/her retirement allowance will be paid. **This option may not be changed after retirement.**

#### Spouse's Signature

Spouse's Name (Print):

Spouse's Signature:

Date:

#### To Be Completed By Witness (should be disinterested party):

Witness' Name (Print):

Street Address:

City/Town:

State:

Zip Code:

Witness' Signature:

Date: