

Surviving Spouse Benefits

The following information applies to most employees and retirees. The surviving spouse annuity eligibility and computation differ from what is stated below if:

- The death arises out of and in the course of the employee's service to the employer and is compensable under either the Workers' Compensation Act or Illinois Workers' Occupational Diseases Act;
- The employee or retiree is a commissioner; or
- The employee or retiree has reciprocal service.

If any of the above applies to you, please call the Retirement Fund at (312) 751-3222 for further information.

Eligibility

Upon the death of a retiree of the MWRD Retirement Fund or an employee of the Metropolitan Reclamation District of Greater Chicago, an annuity is payable to his/her surviving spouse if eligibility requirements are met. These requirements are dependent on date of hire and employment status. Refer to the table below to determine the surviving spouse's eligibility for an annuity.

Requirement	Death in Service	Death After Separation	Death After Retirement
Married at Separation from Service?	N/A	Yes	Yes
Married at Death?	Yes	Yes ¹	Yes, with exceptions ²
Service Requirement?	36 months if hired after 6/13/1997, otherwise, none	10 years of service	Provided employee annuitant met service requirement, spouse will qualify

¹ The employee must have been married at separation *and remained married* to the same spouse until death.

² The spouse of a retired employee is not divested of a retirement annuity if the divorce occurs after retirement provided that the employee and spouse were married at least 10 years at the time of retirement.

Computation

The annuity to which the surviving spouse is entitled varies depending on the date of retirement or death in service. Generally:

Retirement or death in service occurred:	Before 8/23/1989	On or After 8/23/1989
Then the Surviving Spouse Annuity is:	60% plus 1% for each year of total service of the retirement annuity accrued the deceased employee at the time of retirement to a maximum of 85%	60% plus 1% for each year of total service of the retirement annuity accrued the deceased employee at the time of death to a maximum of 85%

What is the difference between the two? After retirement, most employee annuitants receive cost of living adjustments (COLAs). The annuity at the time of death is typically greater than the annuity at the time of retirement.

For spouses of employees hired January 1, 1992 and after, the spouse annuity is reduced by 0.25% for each full month that the spouse is younger than the employee, with a maximum discount of 60%. This discount is reduced by 10% for each full year that the marriage has been in effect at the time of withdrawal from service or death in service. There is no discount if the marriage has been in effect 10 full years or more before withdrawal or death in service.

For any death in service, the early retirement discount is not applied in computing the retirement annuity upon which the surviving spouse's annuity is based.

Minimums

As stated above, the surviving spouse of the annuitant who retired prior to 8/23/1989 has an annuity "frozen" as a percentage of the original annuity. This calculation may yield a very small surviving spouse annuity. To provide a larger annuity to many surviving spouses, certain minimums are in place.

The table below explains the minimum spouse annuity amounts. However, **these minimums do not apply to reciprocal or term annuities.**

Employee's Service	Employee's Age at Retirement	Minimum Monthly Spouse Annuity
< 10 years	any	\$250
10+ years	any	The greatest of: <ul style="list-style-type: none"> \$500 + \$25 for each year of service in excess of 10 not to exceed \$750 provided that the employee annuity was not discounted for early retirement; or 50% of the employee annuity at the time of death 60% plus 1% for each year of total service of the retirement annuity accrued the deceased employee at the time of retirement to a maximum of 85%

Application Process

When the death of an annuitant or employee is reported to the Fund and there is an eligible spouse, a surviving spouse packet is sent. The packet contains numerous forms including:

- Surviving spouse annuity application
- W4-P form, to elect federal withholding
- Signature Card
- Beneficiary Form
- Health Insurance application, and
- Direct Deposit form.

A copy of the death certificate must be submitted with the completed Surviving Spouse Annuity application package. A Surviving Spouse Annuity cannot be processed without a death certificate and a completed application package. It is important that the information be submitted to our office in a timely manner to avoid a lapse in health insurance.

Other Things to Know

- If a surviving spouse annuitant remarries he/she does not lose his/her monthly annuity.
- When the marriage to the employee annuitant occurs after retirement, the spouse is not eligible for a surviving spouse annuity.
- The surviving spouse annuity is eligible for a 3% annual cost of living adjustment if:
 - The employee retired or withdrew from service before August 23, 1989 with at least 10 years of pension service credit from this fund; or
 - If the employee retired or withdrew from service after August 23, 1989 regardless of the amount of pension service credit.

In order to apply for surviving spouse benefits or if you have questions regarding the forms, please call the MWRD Retirement Fund at 312-751-3224.