



Documentation and Elections in Support of Application for Death Benefits when Deceased was an Employee at the Time of Death

Federal Employees Retirement System
Includes Information, Instructions and Necessary Forms

Information for Agency

This package should be completed if the deceased was an employee under the Federal Employees Retirement System (FERS) at the time of death. All applicable forms in the package should be submitted to OPM with the survivor's application (SF 3104).

Information for Applicant

This package contains the forms that you and the deceased person's employing agency need in order to complete your Application for Death Benefits (SF 3104) under the Federal Employees Retirement System (FERS). It should be completed only if the deceased was a Federal employee at the time of death. **All applicable forms in this package should be submitted to the deceased person's employing agency, along with your Application for Death Benefits (SF 3104).** The agency will forward the application to OPM.

Section 1: Certified Summary of Federal Service

To be completed by deceased person's employing agency's personnel office with applicant's signature certifying that information is complete

Section 2: Basic Employee Death Benefit

To be completed by deceased person's employing agency's personnel office **and** applicant.

Section 3: Health Benefits Election

To be completed by deceased person's employing agency's personnel office **and** applicant, if appropriate.

Section 4: Information and Elections Regarding Post-1956 Military Service

To be completed by applicant, if appropriate.

Section 5: IRA Rollover Option Information

To be completed by the surviving spouse or surviving former spouse, if appropriate.

Section 6: Agency Checklist

To be completed by deceased person's employing agency's personnel and payroll offices.

Privacy Act Statement

Solicitation of this information is authorized by the Federal Employees Retirement law (Chapter 84, title 5, U.S. Code), the Federal Employees Group Life Insurance law (Chapter 87, title 5, U.S. Code), the Federal Employees Health Benefits law (Chapter 89, title 5, U.S. Code) and the Unemployment Compensation Amendments of 1992 (Public Law 102-318). The information you furnish will be used to identify records properly associated with your application for Federal benefits, to obtain additional information if necessary, to determine and allow present or future benefits, to maintain a uniquely identifiable claim file and to properly tax your benefits. The information may be shared and is subject to verification, via paper, electronic media, or through the use of computer matching programs, with national, state, local or other charitable or social security administrative agencies in order to determine benefits under their programs, to obtain information necessary for determination or continuation of benefits under this program or to report income for tax purposes. It may also be shared and verified, as noted above, with law enforcement agencies when they are investigating a violation or potential violation of the civil or criminal law. Public Law 104-134 (April 26, 1996) requires that any person doing business with the Federal government furnish a Social Security Number or tax identification number. This is an amendment to title 31, Section 7701. Failure to furnish the requested information may delay or prevent action on your application, or may result in Federal income tax withholding from your benefit and may result in a rollover-eligible payment being made directly to you.

Public Burden Statement

We think this form takes an average of 60 minutes per response to complete. Send comments regarding our estimate or any other aspect of this form, including suggestions for reducing completion time, to the Office of Personnel Management (OPM), Reports and Forms Manager, Paperwork Reduction Project (3206-0172), Washington, DC 20415. The OMB Number, 3206-0172 is currently valid. OPM may not collect this information, and you are not required to respond, unless this number is displayed. Completed application forms should not be sent to this address.

Section 1 - Certified Summary of Federal Service

Agency Instructions

A certified copy of this form must accompany an Application for Death Benefits (SF 3104) for a deceased employee if a survivor annuity or a spousal lump sum death benefit appears to be payable.

Part A - Identification

1. Name of employee (<i>last, first, middle initial</i>)	3. Date of birth (<i>mo, dy, yr</i>)	4. Social Security Number
2. List all other names used (<i>maiden name, AKA, spelling variants</i>)	5. Other birth dates used	6. Military serial number
7. Service computation date for retirement purposes		
8. Did employee elect to transfer to FERS? <input type="checkbox"/> No <input type="checkbox"/> Yes, give effective date of election		

Part B - Verified Service History Documented in Official Personnel Records

Federal Agency or Military Service Branch	Appointment, Separation, or Conversion Dates for Civilian and Active Honorable Military Service	Name of Retirement System*	Remarks and Non-Creditable Time**

* Give details of creditable civilian service not subject to retirement deductions in Part C.

** In Remarks, show if CSRS service on or after January 1, 1984, is "regular" CSRS or CSRS offset. If service was performed on a WAE or intermittent basis, show the number of hours worked in Remarks.

Part C - Detail of Federal Civilian Service Not Subject to Contributory Retirement System

Detail below (1) any period of Federal civilian service subject to only "FICA" deductions and (2) any other Federal civilian service not subject to a Federal employee (or D.C. government) retirement system. If total basic salary earned for any such period of service is known, a summary entry may be entered on the right hand side below. Otherwise, show each change affecting basic salary during the period of service. Service which was not subject to FERS or CSRS deductions is creditable only as specifically allowed by law.

Nature of action (<i>Appt, pro, res, etc.</i>)	Effective date (<i>Mo, dy, yr</i>)	Basic salary rate	Salary basis (<i>per annum, per hour, WAE, etc.</i>)	Leave without pay	If Basic Salary Actually Earned is Available, Make Summary Entry Below		
					From (<i>Mo, dy, yr</i>)	To (<i>Mo, dy, yr</i>)	Total earned

Part D - Agency Certification

I certify that the information on this form accurately reflects verified information contained in official personnel and/or payroll records in the custody of this agency.

Signature of authorized agency personnel official	Date	Agency name and address, including Zip code
Official title	Telephone no. & area code	

Part E - Applicant's Certification

- To the best of my knowledge, the service listed above is complete.
- The employee had additional service. (If you claim the employee had additional service, attach a signed statement giving dates, position, title and location of employment, including agency, bureau and division. Claimed service cannot be credited for survivor benefit purposes until it has been verified, including unverified service listed on a SF 144, Statement of Prior Federal Service, or similar affidavit.)

Note: If the employee performed Federal civilian service subject only to Social Security deductions (FICA) or not subject to retirement deductions, be sure that the agency has correctly completed Part C above.

Signature (<i>do not print</i>)	Date
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Section 2 - Basic Employee Death Benefit

Agency Instructions

Method of Payment of Basic Employee Death Benefit - The surviving spouse of an employee who dies in service is entitled to the Basic Employee Death Benefit if:

- a. the employee completed at least 18 months of civilian service, **and**
- b. the surviving spouse was married to the employee for an aggregate of at least 9 months.

The 9-month marriage requirement does not apply if the surviving spouse is the natural parent of the employee's child (including a posthumous child or one born out of wedlock), or if the employee's death was accidental.

The amount of the Basic Employee Death Benefit is \$15,000 (increased by **CSRS** COLAs), plus 50% of the employee's final annual rate of pay (or average salary, if higher). The \$15,000 portion has been increased as follows:

<u>Effective</u>	<u>Percentage of Increase</u>	<u>New Amount</u>
12-1-87	4.2%	\$ 15,630.00
12-1-88	4.0%	\$ 16,255.20
12-1-89	4.7%	\$ 17,019.19
12-1-90	5.4%	\$ 17,938.23
12-1-91	3.7%	\$ 18,601.94
12-1-92	3.0%	\$ 19,160.00
3-1-94	2.6%	\$ 19,658.16
3-1-95	2.8%	\$ 20,208.59

For deaths occurring on or after 3-1-96, the amounts will be further increased by future CSRS COLAs.

For a part-time (regularly scheduled) employee, the final annual rate of pay will be the basic pay, at the rate in effect immediately before the employee's death, that is applicable to the employee's tour of duty (or, if higher, the hours in a basic pay status) in the 52-week work year immediately preceding the end of the last pay period the employee was in a pay status. For example, a part-time employee who, at the time of his/her death, was being paid at the annual rate of \$30,000, but whose tour of duty was 20 hours a week, would have a final annual pay rate of \$15,000 for purposes of the Basic Employee Death Benefit. However, if the same employee actually earned basic pay during 1144 hours (averaging 22 hours per week) in the 52-week work year, the final annual rate of basic pay would be \$16,500 (22/40 x \$30,000).

To determine the final annual pay rate of an intermittent (not regularly scheduled) employee, the employee's final hourly rate of pay will be multiplied by the number of hours he or she worked at basic pay rates (up to full time) in the 52-week work year immediately preceding the end of the last pay period the employee was in a pay status.

The surviving spouse must elect whether to receive the Basic Employee Death Benefit in a lump sum or in 36 monthly installments. To make an election, he or she should complete the attachment, after the employing agency enters the amounts payable. To determine the amount of a monthly installment, multiply the total amount of the lump-sum benefit by .0306921. (The factor for computing the installments is specified in 5 CFR 843.309 and may be adjusted periodically. Check the regulations for the current factor before computing the amount of the monthly installment payments.)

The Basic Employee Death Benefit is subject to special provisions of the law which allow recipients to roll over all or part of the benefit into an IRA, whether paid as a one-time lump sum or in 36-installments. If the surviving spouse is eligible to receive the Basic Employee Death Benefit, he/she will also need to review the information and complete the election concerning the rollover option found in Section 5, "IRA Rollover Option Information."

Note: The Basic Employee Death Benefit is payable (in whole or part) to a former spouse if a qualifying court order is on file at OPM, and the former spouse was married to the employee for an aggregate of at least nine months.

Applicant Instructions

If the widow(er) of a Federal employee was married to a Federal employee for at least 9 months and the Federal employee had at least 18 months of creditable service, the widow(er) is entitled to a Basic Employee Death Benefit equal to:

50 percent of the employee's final salary (or average salary, if higher) _____

Plus

\$15,000 (increased by CSRS COLAs) _____

The benefit due in your case is _____ **\$**

If you wish, you can choose to receive it in 36 monthly installments of \$ _____ instead of a single lump sum. Note that the total amount paid in installments will be slightly higher than the single lump sum because interest is paid on the installments to give you an amount approximately equal (because of inflation) to the single lump sum. After installments have begun, you can ask OPM to stop the monthly payments, and pay you the remaining amount of the benefit in a single lump sum (your request must be made in writing). However, no interest will be paid on the remaining benefit after the date of the last installment. In other words, the balance paid will not equal the sum of the remaining installments.

This is a choice in the method of payment only. If the agency estimate is not correct, OPM will still pay the benefit according to the method of payment selected.

I elect to receive my payment in A lump sum 36 Installments

Please note:

- In the case of part-time and intermittent employees, the benefit is prorated.
- If the employee had a former spouse who has on file at OPM a qualifying court order that awards some or all of the Basic Employee Death Benefit to the former spouse, your benefit cannot exceed the difference between the amount shown above and the portion of that benefit payable to the former spouse. OPM will notify you if your benefit will be less than the one shown for this reason.
- If the employee had service for which no retirement deductions were withheld **and** a deposit must be made to meet the minimum service requirement for a death benefit, that deposit will be withheld from your Basic Employee Death Benefit before any amount is payable.
- Also, read and complete the election in Section 5, IRA Rollover Option Information, beginning on page 11, to assist you in determining how you want to have your Basic Employee Death Benefit paid to you.

Section 3 - Health Benefits Election

Agency Instructions

If the surviving spouse of a deceased employee is not eligible for monthly survivor annuity benefits (because the employee had less than 10 years of creditable service), he or she may, nonetheless, elect to continue health benefits coverage, provided:

- a. the surviving spouse is eligible for the Basic Employee Death Benefit described in Section 2, **and**
- b. the employee was enrolled under the Federal Employees Health Benefits (FEHB) program with self-and-family coverage at the time of death.

If the surviving spouse elects to continue health benefits coverage, he or she must make the premium payments directly to OPM, since there is no monthly survivor annuity from which to withhold the premiums. OPM will consider withholding premiums from the Basic Employee Death Benefit if the survivor elects to receive the payment in 36 monthly installments. See Section 2.) To make the election whether or not to continue coverage, the spouse must complete the election below.

When the surviving spouse is eligible for and elects to continue health benefits coverage, the personnel office must (1) forward file copies of all SF 2809's and SF 2810's to OPM; (2) attach any medical determinations made for continued coverage of disabled children; and (3) forward to OPM with SF 3100, all copies of SF 3102 on file, SF 3104, all applicable forms in SF 3104B and related documents.

Employing agency must check one of the following:

1. Surviving spouse needs to complete the election below because the employee had at least 18 months of civilian service, but less than 10 years of total creditable service, and the surviving spouse meets the requirements for continuation of FEHB coverage. (Count all creditable civilian and military service.)
2. Section not applicable because employee had more than 10 years of creditable civilian and military service.
3. Section not applicable because employee was not enrolled in a self-and-family plan **or** not enrolled for health benefits.

Applicant Instructions

If Item 1, above, is checked, surviving spouse must make the election described below:

If you are not entitled to a monthly survivor annuity benefit (your spouse had less than 10 years of creditable service), but your spouse had at least 18 months of civilian service and was enrolled in a self-and-family plan at death, you may still be eligible to continue the health benefits enrollment. You must make direct payments to OPM on a monthly basis to cover the cost of your premiums. If you want to continue this coverage, OPM will send you instructions for making payments according to your election. **Indicate your choice below.**

- I elect to continue my spouse's health benefits enrollment. I will make direct payments to OPM to cover the cost of this enrollment after I receive instructions on how to do so. I realize that I must pay the premium on or before the first day of each month for coverage during the preceding month. I understand that if OPM does not receive a payment by the due date, my enrollment may be terminated with no right to reenroll.
- I elect **not** to continue my spouse's health benefits enrollment. I realize that this election cannot be changed at a later date.

Signature

Date

Section 4 - Information and Elections Regarding Post-1956 Military Service

This section should be completed *if*:

- The deceased was an employee at the time of death and performed active duty military service **after** December 31, 1956; and
 - A deposit to pay for such service was **not** completed with the deceased person's employing agency prior to his/her death; and
 - The deceased is survived by a spouse or former spouse eligible to receive a FERS survivor annuity.
- or**
- The deceased was receiving military retired pay and is survived by a spouse or former spouse eligible to receive a FERS survivor annuity.

Information About Credit for Post-1956 Military Service for the Survivor of a Deceased FERS Employee

Because your decision about completing the deposit for or including the deceased employee's military service in the survivor annuity computation may affect your rights under the Federal Employees Retirement System (FERS), you need to be aware of the following information.

A. If the Deceased Employee Qualified for a CSRS Component (a portion of a FERS annuity payable that is computed under CSRS rules)

1. If the military service was performed before the deceased employee was covered by FERS, you will receive credit for the military service in the CSRS component of the FERS benefit in accordance with the following:

a. If the deceased was first employed in a position under CSRS before October 1, 1982:

- (1) If you qualify at the deceased employee's death, for Social Security survivor benefits based on his/her military service, you have the option of either making the deposit so that the post-1956 military service will be included in the survivor annuity computation or not making the deposit and excluding the post-1956 military service from the survivor annuity computation.
- (2) If you will qualify at a future date for Social Security benefits based on the deceased person's service, post-1956 military service will be included in the computation of your survivor annuity until you become eligible (or would upon application be eligible) for Social Security survivor benefits. You have the option of either making the deposit now and avoiding a reduction in your FERS survivor annuity, or not making the deposit and having your annuity adjusted to exclude post-1956 military service when you become eligible for Social Security survivor benefits based on the deceased person's service.

Note: Eligibility for Social Security benefits. A survivor of a deceased employee may be eligible for Social Security survivor benefits if the employee was "fully insured" and the survivor is (a) the parent of an eligible child, (b) age 50 or over and disabled, (c) age 60 or over, or (d) a divorced spouse age 62 or over. For information about your present or future eligibility for Social Security survivor benefits, contact the Social Security Administration. If you become ineligible for Social Security benefits based on the deceased employee's service (e.g., by becoming eligible for Social Security benefits based on your own earnings which exceed the survivor benefits), you should contact OPM. You may be eligible to have the military service restored to the survivor annuity computation.

b. If the deceased was first employed in a position under CSRS after September 30, 1982, you must make the deposit for post-1956 military service in order to receive credit for the service.

2. If the military service was performed after the deceased was covered by FERS, you will receive credit for the military service according to the rule stated in paragraph B for FERS employees.

B. If the Deceased Employee did not Qualify for a CSRS Component in the FERS Benefit, you will not receive credit for the post-1956 military service for any purpose (including the ten years of service needed for entitlement to survivor annuity) unless the deposit is paid.

C. Effect of Military Retired Pay on Creditability of Military Service Regardless of When the Deceased Was First Employed

1. If, at the time of death, the employee was receiving military retired or retainer pay that was awarded because of a service-connected disability incurred either in combat with an enemy of the United States or caused by an instrumentality of war and incurred in the line of duty during a period of war, or awarded under the reserve retiree provisions (chapter 67 of title 10, United States Code), you will receive credit for the military service subject to the provisions for military deposit for post-1956 military service.
2. If, at the time of death, the employee was receiving military retired or retainer pay that was not awarded under either of the two exceptions noted in C.1. above, you will also receive credit for the military service subject to the provisions for military deposit for post-1956 military service. However, there will be a difference in the computation as described below.
 - a. If you qualify for benefits under this provision, and the deceased employee arranged for you to receive a survivor benefit from the military, the military survivor benefit will not be affected by your eligibility to receive FERS survivor benefits, but it will be necessary for OPM to reduce your FERS survivor annuity by an amount equal to the survivor benefit you will receive from the military. The amount deducted from your FERS survivor benefit will never reduce it below the amount of the FERS survivor benefit based on the deceased employee's civilian service alone, however.
 - b. If you feel that it is not to your advantage to include the military service in the computation of the FERS survivor benefit, you may send OPM your written election not to include the military service in your FERS survivor annuity computation now. (See Part C of the "Survivor's Military Service Election" form.)

D. Other Information about Deposit for Military Service

1. The amount of the deposit is 7 percent of military basic pay (plus interest, if any) if the deceased employee transferred to FERS but his/her military service will be credited under CSRS rules. (See A.1. above).
2. The amount of the deposit is 3 percent of military basic pay (plus interest, if any) if the deceased employee's military service will be credited under FERS rules (see B. above).
3. If the deposit is made, the post-1956 military service will be credited under both the Federal Employees Retirement System and the Social Security System, if it is otherwise creditable.

E. If You Elect to Pay the Deposit

1. If you do not have sufficient documentation of the deceased employee's military basic pay earnings for the employing agency to determine the amount due, the agency will tell you how to obtain an estimate of earnings from the branch of military service in which the deceased served.
2. Payment should be made to the agency as soon as possible. The agency will continue processing your application for death benefits while you are waiting to receive an estimate of military earnings from the military service. If you have not made the deposit before the agency sends the application to OPM, the agency will tell OPM that you plan to pay the deposit.
3. In order to credit your deposit, OPM must receive documentation of your payment from the agency before your application is completely processed.
4. If you elect to pay the deposit, but later decide not to do so, promptly notify the employing agency and OPM in writing so that final processing of your application for survivor benefits can take place.

Survivor's Military Service Election

Deceased Employee Covered by FERS

Part A. To be completed by employing agency before survivor completes elections in Parts B and C.			
1. Deceased employee's name	2. Date of birth	3. Social Security Number	
4. Was a deposit account opened for the employee? <input type="checkbox"/> Yes, give information requested below <input type="checkbox"/> No			
Period of military service		Amount due (with interest)	Balance due
From	To	\$	\$
5. Agency records indicate that the above named employee had post-1956 military service for which deposit has not been completed. Records also show that the employee--			
<input type="checkbox"/> Qualified for a CSRS component in a FERS benefit and performed military service before being covered by FERS and was--			
<input type="checkbox"/> First employed under CSRS before October 1, 1982, or			
<input type="checkbox"/> First employed under CSRS on or after October 1, 1982.			
<input type="checkbox"/> Qualified for a CSRS component in a FERS benefit and performed military service after being covered by FERS.			
<input type="checkbox"/> Did not qualify for a CSRS component in a FERS benefit.			
6. Name of agency representative to contact for information		Telephone number	
7. Agency personnel office address to which form should be returned		Election should be received by <i>(date)</i> <i>(30 days from date form is given to applicant.)</i>	
Part B. Deposit Election <i>(To be completed by survivor.)</i>			
Our records indicate that you might be eligible for a survivor annuity. You have the right to make a deposit for the deceased employee's post-1956 military service. Your decision may affect your rights under FERS. Read "Information About Credit for Post-1956 Military Service for the Survivor of a Deceased FERS Employee" carefully to be sure you understand the consequences of including the military service or of not making the deposit. Then make your election, sign and date the form, and return two copies to the employing office shown in item 7 above.			
If you decide to pay the deposit, the deceased employee's employing agency will provide you with the necessary information. Payment must be made in a lump sum to the decedent's employing agency before OPM completes the processing of your application.			
I have read this information concerning my right to make a lump sum deposit to the decedent's employing agency for post-1956 military service. (Note: An election to make a deposit may be changed at any time before the deposit is actually paid to the agency.)			
<input type="checkbox"/> I elect to make (or complete) the deposit to the employing agency for the deceased person's post-1956 military service. I understand that this deposit must be paid to the agency in a lump sum within 30 days after the agency notifies me of the amount due.			
<input type="checkbox"/> I elect not to make (or complete) the deposit for post-1956 military service. I understand this decision may not be changed at a later date.			

Part C. Election to Exclude Military Service from the Annuity (To be completed by survivor of deceased employee who was in receipt of military retired pay at time of death.)

If the deceased employee received military retired or retainer pay that was **not** (1) awarded because of a service-connected disability incurred either in combat with an enemy of the United States or caused by an instrumentality of war and incurred in the line of duty during a period of war, or (2) awarded under reserve retiree provisions (chapter 67 of title 10, United States Code), you will receive credit toward your FERS Survivor benefit for the military service subject to the rules for post-1956 military deposits. However, if you do receive credit for military service (including any pre-1957 military service), your FERS survivor benefit must be reduced by the amount of any military survivor benefits payable to you. In some instances, it may not be advantageous to receive a survivor benefit including the military service in the computation.

In order to compute your survivor annuity benefits, we need to know if you are eligible for military survivor benefits. If you are eligible to receive military survivor benefits, we need to know if you want to exclude the deceased person's military service from the computation of your FERS survivor benefit.

Are you entitled to receive military survivor benefits?

No

Yes



Specify monthly amount (if known),
and attach documentation, if available. \$

Credit for military service will be included in the computation of your FERS survivor annuity benefit unless you elect below to exclude it.

Do not use my deceased spouse's (former spouse's) military service in determining my FERS survivor annuity.

Part D. Signature

Signature

Date

Section 5 - IRA Rollover Option Information for Lump Sum Benefits Payable to a Surviving Spouse or Surviving Former Spouse

Some lump sum death benefits payable to a surviving spouse or a former spouse (who is named under a court order that properly apportions benefits under FERS law) can be rolled over into an Individual Retirement Arrangement (IRA). Lump sums that can be rolled over are:

1. The taxable portion of the Basic Employee Death Benefit (BEDB), whether paid in a lump sum or in 36 installments. (All of the BEDB is taxable except the one-time \$5,000 death benefit exclusion applied to the BEDB when elected to be paid in one lump sum.)
2. Interest on: employee contributions, excess retirement deductions and/or voluntary contributions.

If the total taxable lump sum payable to you is \$200 or more, you can ask OPM to pay all or part of it to your IRA as a direct rollover. If you make this election, you will not be taxed for the amount rolled over until you take the money out of the IRA.

To avoid the 20 percent tax withholding on taxable lump sums over \$200, you must elect for OPM to pay them to your IRA account. While the check would be made payable to your IRA, at your instruction, we will send the payment directly to your account or to you for deposit into your account. You must specifically state the amount you want rolled over by electing "all" or a smaller amount on the enclosed election form.

If you elect to roll over less than "all" of any taxable lump sum(s) payable to you, you must elect to roll over at least \$500. OPM will not roll over a partial amount of less than \$500. If your total taxable amount is less than \$500, you can only elect to roll over "all."

You can elect to personally be paid all or part of any taxable lump sum, however, OPM is required to withhold for Federal income tax 20 percent of the taxable amount that is not rolled over.

If you elect not to roll over all or part of any taxable lump sum, we will withhold 20 percent of the benefit we pay to you for transmittal to the Internal Revenue Service. You have the option to personally roll over any taxable lump sum that is paid to you to your IRA within 60 days after you receive it. If you decide to do this, you do not credit the money as taxable income until it is withdrawn from your IRA.

If your total taxable lump sum is less than \$200, OPM will not withhold any amount for Federal income tax on the payment. Although we will not roll over amounts of less than \$200 to an IRA, you can personally deposit any taxable lump sum into an IRA as a direct rollover within 60 days after you receive it. The lump sum is taxable in the year it is received unless it is deposited into an IRA.

Extra Information for Recipients of the Basic Employee Death Benefit Who Elect Payment in Monthly Installments

All of the basic employee death benefit (BEDB), when paid in installments, is taxable. If you elect to roll over part of each monthly installment into an IRA, the monthly amount rolled over must be equal to at least \$500. You may change your election regarding this rollover at any time in the future while still receiving BEDB installments. You must write to us at the time you want to change your election. Your election will take effect with the monthly benefit payable at the time the request is received. You cannot take a partial payment of the lump sum now and receive the remainder in installments.

While receiving BEDB installments you can elect to:

- stop payments to an IRA.
- begin payments to an IRA.
- change the amount rolled over to the IRA.
- change the financial institution that will administer your direct rollover payments.
- stop installment payments and receive the remainder as a lump sum.

Tax Information

Please refer to the attached notice regarding Federal income tax on taxable lump sums. If you have further questions specifically about the taxability of these benefits, you should contact a qualified tax advisor or the IRS. This is the only income tax information available from OPM on the subject.

Please note that if you receive a taxable benefit in addition to any lump sum payable to you (such as a monthly survivor annuity or benefits for a surviving child), the 20 percent withholding rules do not apply. In those cases, you may elect not to have tax withholding apply to those payments by writing to: US Office of Personnel Management, Federal Employees Retirement System, P.O. Box 45, Boyers, PA 16017.

Special Tax Notice Regarding Rollovers

This notice contains important Federal income tax and other information the surviving spouse or surviving former spouse (named under a court order that properly apportions benefits under FERS law) will need before he/she decides how to receive any lump sum payment from the Federal Employees Retirement System (FERS). To be of service to our customers, the Office of Personnel Management has worked with the Internal Revenue Service to present a general explanation of how P.L. 102-318 affects those who receive our benefits. However, the IRS remains the authority on tax matters and questions. Requests for additional or clarifying information should be directed to them. The official tax publications which govern how benefits are taxed are referenced at the end of this notice. OPM does not stock IRS publications. We cannot provide official tax information nor can we advise individuals on tax matters. The following discussion applies to the taxable portion of a lump sum payment.

Summary

A taxable payment from the Office of Personnel Management (OPM) that is eligible for "rollover" can be paid in one of two ways. You can have all or any part of your payment either 1) paid in a "direct rollover" or 2) paid to you. A rollover is a payment of the taxable portion of your FERS benefit to your individual retirement arrangement (IRA) or to another employer retirement plan. This choice will affect the tax you owe.

If you choose a direct rollover of the taxable portion -

- Your payment will not be taxable income in the year it is paid, and no income tax will be withheld.
- Your payment will not be made directly to your IRA (or, if you are a former spouse and choose, to another employer retirement plan that accepts your rollover).
- Your payment will be taxable income later when you take it out of the IRA (or, for a former spouse, the employer retirement plan).

If you choose to have the taxable portion of your benefit paid to you -

- You will receive only 80% of the payment, because OPM is required to withhold 20% of the payment and send it to the Internal Revenue Service as income tax withholding to be credited against your taxes.
- Your payment will be taxed in the year it is paid unless you roll it over. You may be able to use special tax rules that could reduce the tax you owe (see page 14).
- You can roll over the payment by paying it to your IRA (or, for a former spouse, to another employer retirement plan that accepts your rollover) within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the IRA (or employer retirement plan).
- If you want to roll over 100% of the payment to an IRA (or an employer retirement plan), you must find other money to replace the 20% that was withheld. We cannot refund the 20% once it has been withheld. If you roll over only the 80% you receive, you will be taxed on the 20% that was withheld and that is not rolled over.

If you are a surviving spouse, you may choose to have an eligible rollover distribution paid in a direct rollover to an IRA or have it paid to you. If you have the payment paid to you, you can keep it or roll it over into an IRA yourself, but you cannot roll it over to an employer retirement plan. If you can receive a rollover-eligible benefit because of an order issued by a court, usually in connection with a divorce or legal separation, you can have the payment paid as a direct rollover, to an IRA or to another employer retirement plan that accepts rollovers, or you can have the payment paid to you. If you have it paid to you, you can keep it or roll it over yourself. If you are a beneficiary other than a surviving spouse or a surviving former spouse listed in a court order, you cannot choose a direct rollover, and you cannot roll over the payment yourself.

More Information

I. Payments that can and cannot be rolled over

Certain payments from OPM are "eligible rollover distributions." This means they can be rolled over to an IRA or to another employer retirement plan that accepts rollovers. In general, only the "taxable portion" of your payment is an eligible rollover distribution. The following types of payments cannot be rolled over:

Non-taxable Payments. In general, the non-taxable portion of your payment is not an eligible rollover distribution. If the retiree made “after-tax” employee contributions, these contributions will be non-taxable when they are paid to you, and they cannot be rolled over. (After-tax employee contributions generally are contributions made from pay that was already taxed.)

Payments Spread Over Long Periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for

- your lifetime (or your life expectancy), or
- your lifetime and your beneficiary’s lifetime (or life expectancies), or
- a period of ten years or more.

Required Minimum Payments. Beginning in the year you reach age 70 1/2, a certain portion of your payment cannot be rolled over because it is a “required minimum payment” that must be paid to you. You must compute and exclude this amount from a direct rollover if you will be age 70 1/2 or older when the payment is made.

II. Direct Rollover

You can choose a direct rollover of all or any portion of your payment that is an “eligible rollover distribution.” In a direct rollover, the eligible rollover distribution is paid directly from OPM to an IRA (or another employer retirement plan that accepts rollovers) or is sent to you in a check made payable to the IRA or other retirement plan. If you choose a direct rollover, you are not taxed on a payment until you later take it out of the IRA (or the employer retirement plan). OPM will not pay a direct rollover or withhold tax on taxable payments under \$200, but recipients themselves may roll over such payments tax free within 60 days after receipt. The minimum direct rollover amount is \$500 if you designate part of your payment as a direct rollover with the remainder payable to you. OPM will pay a direct rollover to only one IRA or retirement plan at any one time.

Direct Rollover to an IRA. You can open an IRA to receive the direct rollover. (The term “IRA,” as used in this notice, includes individual retirement accounts and individual retirement annuities.) If you choose to have your payment made directly to an IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to an IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish an IRA to receive the payment. However, in choosing an IRA, you may wish to consider whether the IRA you choose will allow you to move all or part of your payment to another IRA at a later date, without penalties or other limitations. See IRS Publication 590, *Individual Retirement Arrangements*, for more information on IRAs (including limits on how often you can roll over between IRAs).

Direct Rollover to an Employer Retirement Plan. If you are a former spouse named in a Court Order and are employed by an employer that has a retirement plan and you want a direct rollover to that plan, ask the administrator of that plan whether it will accept your rollover. An employer retirement plan is not legally required to accept a rollover. If your employer’s retirement plan does not accept a rollover, you can choose a direct rollover to an IRA.

Direct Rollover of a Series of Payments. If you receive eligible rollover distributions that are paid in a series for less than 10 years, your choice to make or not make a direct rollover for payment will apply to all later payments in the series unless you change your election. You are free to change your election for any later payment in the series by contacting OPM.

III. Payment Paid to You

If you have the payment made to you, it is subject to 20% Federal income tax withholding. The payment is taxed in the year you receive it unless, within 60 days after receiving it, you roll it over to an IRA or another plan that accepts rollovers. If you do not roll it over, special tax rules apply.

Mandatory Federal Income Tax Withholding. If any portion of the payment to you is an eligible rollover distribution, OPM is required by law to withhold 20% of that amount. This amount is sent to the IRS as income tax withholding. For example, if your eligible rollover distribution is \$10,000, only \$8,000 will be paid to you because OPM must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, you will report the full \$10,000 as payment from OPM. You will report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year.

Sixty-Day Rollover Option. If you have an eligible rollover distribution paid to you, you can still decide to roll over all or part of it to an IRA (or another employer retirement plan that accepts rollovers). If you decide to roll it over, you must make the rollover within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the IRA (or the employer retirement plan).

You can roll over up to 100% of the eligible rollover distribution, including an amount equal to the 20% that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the IRA or the employer retirement plan to replace the 20% that was withheld. On the other hand, if you roll over only the 80% that you received, you will be taxed on the 20% that was withheld.

Example: Your eligible rollover distribution is \$10,000, and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to an IRA or employer retirement plan. To do this, you roll over the \$8,000 you received from OPM, and you will have to find \$2,000 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000, is not taxed until you take it out of the IRA or employer retirement plan. If you roll over the entire \$10,000, when you file your income tax return you may get a refund of the \$2,000 withheld.

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000 withheld. (However, any tax refund is likely to be larger if you roll over the entire \$10,000.)

Special Tax Treatment

If your eligible rollover distribution is not rolled over, it will be taxed in the year you receive it. However, if it qualifies as a "lump sum distribution," it may be eligible for special tax treatment. A lump sum distribution is a payment, within 1 year, of the deceased's entire balance under CSRS or FERS that is payable to you. The special tax treatment for lump-sum distributions is described below.

Five-Year Averaging. If the deceased was at least age 59 1/2, you may be able to make a one-time election to figure the tax on the payment by using "5-year averaging." Five-year averaging often reduces the tax you owe because it treats the payment much as if it were paid over 5 years.

Ten-Year Averaging if the Deceased was Born Before January 1, 1936. If you receive a lump-sum distribution and the deceased was born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates) instead of 5-year averaging (using current tax rates). Like the 5-year averaging rules, 10-year averaging often reduces the tax you owe.

Capital Gain Treatment if the Deceased was Born Before January 1, 1936. In addition, if you receive a lump-sum distribution and the deceased was born before January 1, 1936, you may elect to have the part of your payment that is attributable to the deceased's pre-1974 participation under CSRS or FERS (if any) taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump-sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump-sum distributions that you receive in that same year. If you have previously rolled over a payment from OPM, you cannot use this special tax treatment for later payments from the IRA. Also, if you roll over only a portion of your payment to an IRA, this special tax treatment is not available for the rest of the payment. Additional restrictions are described in IRS Form 4972, which has more information on lump-sum distributions and how you elect the special tax treatment.

How to Obtain Additional Information

This notice summarizes only the Federal (not State or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor before you take a payment of your benefits from OPM. Also, you can find more specific information on the tax treatment of payments from qualified retirement plans in IRS Publication 575, *Pension and Annuity Income*, IRS Publication 590, *Individual Retirement Arrangements*, and IRS Publication 721, *Tax Guide to U.S. Civil Service Retirement Benefits*. These publications are available from your local IRS office or by calling 1-800-TAX-FORMS.

**Death Benefit Payment Rollover Election Form
for Completion by Surviving Spouse
or by a Former Spouse named under a Court Order**

Name of Surviving Spouse _____

Complete one of the following options.

Option 1

Pay any lump sum directly to me. I understand that 20% of the taxable amount of the lump sum payment(s) will be withheld for tax but that I can rollover part or all of the taxable amount to a qualified account within 60 days to defer income tax.

Option 2

I want (enter "all" or a dollar amount at or above \$500) _____ of the taxable amount of any lump sum made payable to the account shown below with no tax withholding on the amount rolled over. If I elected a partial rollover, I understand that any balance made payable to me will be subject to 20% tax withholding and that I can roll any part of it over to a qualified account within 60 days to defer income tax. *If you check this block, your financial institution must complete the certification at the bottom of this page.*

Send my payment directly to my account. Send my payment to me, made payable to my account. I will deliver it to the account.

Option 3


I do not want to make an election at this time. I want OPM to send me the complete rollover election package if I am eligible to receive a taxable lump sum of over \$200. I understand my application for benefits will not be processed until after I receive and return the election forms.

Provide your certification: By my signature below, I certify that I have read and understand the information in the accompanying *Rollover Option Information and Special Tax Notice Regarding Rollovers*.

Signature _____	Social Security Number _____	Date _____
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Certification by Financial Institution or Retirement Plan

This part must be completed by your financial institution or retirement plan if all or part of the taxable portion of your lump sum is made payable to an IRA.

Name and address of financial institution _____	IRA account number _____
	Routing number and check digit (if payments should be transferred electronically and if an account number is available.) 

Certification: As a representative of the financial institution named above, I confirm the identity of the person named on this notice and the account number. I certify that the financial institution agrees to receive the funds and deposit them in an IRA as defined in the Internal Revenue Code.

Signature of certifying representative _____	Typed or printed name of certifying representative _____
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Daytime telephone number including area code _____	Date _____
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Section 6 - Agency Information and Certification

Name of deceased employee (<i>last, first, middle initial</i>)	Date of birth (<i>mo, dy, yr</i>)	Social Security Number
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A. Employing Office: To be completed by office maintaining Official Personnel Folder (OPF)

Part 1 - General Information

1. Retirement system coverage (<i>check applicable box</i>) <input type="checkbox"/> FERS - Automatically covered by FERS effective January 1, 1987, or upon employment. <input type="checkbox"/> FERS - Elected to transfer to FERS. Effective date of election: _____ <input type="checkbox"/> CSRS - Use SF 2800 in lieu of this form. <input type="checkbox"/> Other - <i>Explain:</i>	2. Type of death benefit which appears payable (<i>check all that apply</i>) <input type="checkbox"/> Monthly survivor annuity <input type="checkbox"/> Basic Employee Death Benefit Lump sum <input type="checkbox"/> Payment of retirement contributions
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Part 2 - Federal Employee's Compensation Information

1. Did the deceased employee ever apply for or receive benefits from the Office of Worker's Compensation Programs (OWCP), Department of Labor, because of a job-related illness or injury?			
		<input type="checkbox"/> Yes, complete 1a-3 below	<input type="checkbox"/> No, go to Part 3 below
a. Compensation claim number	b. Benefit received		c. Type of benefit
	From (<i>mo, dy, yr</i>)	To (<i>mo, dy, yr</i>)	
		<input type="checkbox"/> Scheduled award	<input type="checkbox"/> Total or partial disability
		<input type="checkbox"/> Scheduled award	<input type="checkbox"/> Total or partial disability
2. If the deceased employee applied for workers' compensation (other than as listed in item 1a above) but did not receive benefits, check reason below and give the requested information.			
a. Compensation claim number	<input type="checkbox"/> Awaiting OWCP decision	<input type="checkbox"/> Claim denied	b. Date claim denied
3. Except for scheduled compensation awards, workers' compensation survivor benefits and FERS survivor benefits cannot be paid for the same period of time. Please complete information below.			
a. Did the above employee's death occur due to a work-related injury or illness?			
		<input type="checkbox"/> Yes, complete 3b-e below	<input type="checkbox"/> No, go to Part 3
b. Has a claim for workers' compensation based on this death been filed?	<input type="checkbox"/> No, go to Part 3	c. Name of person filing for workers' compensation	
	<input checked="" type="checkbox"/> Yes		
d. Compensation claim number	<input type="checkbox"/> Awaiting OWCP decision	e. Date claim denied	
	<input checked="" type="checkbox"/> Claim denied		

Part 3 - Federal Employee's Health Benefits and Group Life Insurance Information

1. Was deceased employee enrolled in the Federal Employees' Health Benefits Program?			
		<input type="checkbox"/> Yes, complete 1a-c below	<input type="checkbox"/> No, go to Item 2
a. Enrollment code	b. Does a survivor appear eligible for a monthly annuity?		
	<input type="checkbox"/> Yes, go to item 2	<input type="checkbox"/> No, go to item 1c	
c. Is there a surviving spouse eligible for the Basic Employee Death Benefit?			
		<input type="checkbox"/> Yes, complete SF 3104B, Section 3	<input type="checkbox"/> No, go to Item 2
2. Did the deceased employee have Federal Employees' Group Life Insurance coverage?			
		<input type="checkbox"/> Yes, go to items 2a-2c	<input type="checkbox"/> No, go to item 4
a. When was the life insurance certified to the Office of Federal Employees' Group Life Insurance (OFEGLI)?	b. What was the amount of basic annual pay certified?		
c. What life insurance options did the deceased carry?			
		<input type="checkbox"/> Option A	<input type="checkbox"/> Option B
		<input type="checkbox"/> Option C	<input type="checkbox"/> No optional coverage(s)

Part 4 - Checklist

Form number	Document title	Requirement	Attached		Sent to OWCP
			Yes	N/A	
SF 3104	Application for Death Benefits	Required in all cases			
SF 2809's	Health Benefits Election Form	Required in all cases			
SF 2810's	Notice of Change in Health Benefits Enrollment	Required in all cases, unless not covered under FEHB plan			
DD 214	Military Discharge	Recommended in all cases with military service			
SF 3104B Section 1	Certified Summary of Federal Service	Required in all cases			

Form number	Docoument title	Requirement	Attached		Sent To OWCP
			Yes	N/A	
SF 3104B Section 2	Basic Employee Death Benefit	Required in all cases where a Basic Employee Death Benefit is payable			
SF 3104B Section 3	Health Benefits Election	Required in all cases where a Basic Employee Death benefit is payable and a survivor annuity is not payable.			
SF 3104B Section 4	Surviving Spouse's Military Deposit Election	Required in all cases with military service after 12/31/56 for which employee did not complete deposit and a survivor annuity is payable.			
SF 3104B Section 5	IRA Rollover Election	Required in cases with Basic Employee Death Benefit or if interest may be payable on a lump sum for surviving spouse/former spouse. If not completed, payment may be delayed			
None	Death certificate	Certified copy required in all cases			
None	Marriage certificate	Required for all married employees			
None	Children's birth certificates	Required for all minor or student children			
None	Medical documentation (disabled children)	Required for all disabled children			
None	Adoption papers	Required if applicant is an adopted child			
None	Guardianship papers	Required if a court appointed guardian is established for eligible children			
None	Court appointment documents for executor/administrator of estate	Required if court appointed administrator/executor has been appointed and no annuity is payable			
None	Social Security Number(s) for all applicants	Required in all cases			

Part 5 - Certification by Personnel officer (or Designee)
I certify that the above accurately reflects verified information in official records.

1. Signature	2. Date	3. Address
4. Official Title	5. Tele. no./area code	
6. Person to contact for further information (print or type)		

B - Payroll Office Checklist

1. Is deceased employee's sick leave balance shown on SF 3100 if he/she transferred to FERS? <input type="checkbox"/> Yes <input type="checkbox"/> No (Explain in item 7.)	2. If deceased employee worked an irregular tour of duty (or exceeded his/her regular, part-time tour), are earnings for last 52 weeks shown? <input type="checkbox"/> Yes <input type="checkbox"/> No, explain in item 7.		
3. Is deceased employee's health benefits status posted on SF 3100? <input type="checkbox"/> Yes <input type="checkbox"/> No (Explain in item 7.)	4. If a former spouse of the deceased employee was making direct health benefit premium payments to your payroll office, has the SF 3100 been properly annotated? <input type="checkbox"/> Not Applicable <input type="checkbox"/> Yes <input type="checkbox"/> No, explain in item 7.		
5. Has the SF 3100 been properly annotated concerning deposit for post-1956 military service? <input type="checkbox"/> Yes <input type="checkbox"/> No (Explain in item 7.)	6. Disposition of SF 3100 <input type="checkbox"/> SF 3100 and SF 3103 are attached <input type="checkbox"/> SF 3100 was mailed →	SF 3103 number	Date of SF 3103
Forwarded to:	7. Remarks		

Certification by Payroll Officer (or Designee)
I certify that the above accurately reflects official records maintained by this office.

8. Signature	9. Date	10. Address
11. Official Title	12. Tele. no./area code	
13. Person to contact for further information (print or type)		