352D.075 DEATH BENEFITS.

Subdivision 1. [Repealed, 1975 c 368 s 51]

Subd. 2. **Surviving spouse benefit.** (a) Notwithstanding any designation of a beneficiary to the contrary, if a participant or a former participant dies before an annuity or a disability benefit becomes payable, the surviving spouse is entitled to receive:

(1) a lump-sum payment of the value of the participant's total shares;

(2) a lump-sum payment of a portion of the value of the total shares and, at any time after the participant's death, an annuity based on the remaining value of the total shares. If the spouse dies before receiving any annuity payments, the remaining value of the shares is payable to the spouse's children in equal shares, and if no children survive, then to the parents of the spouse in equal shares, and if no children or parents survive, then to the estate of the spouse; or

(3) at any time after the participant's death, an annuity based on the value of the total shares. If the spouse dies before receiving any annuity payments, the value of the shares is payable to the spouse's children in equal shares, and if no children survive, then to the parents of the spouse in equal shares, and if no such children or parents survive, then to the estate of the spouse; and if the spouse dies after receiving annuity payments but before receiving payments equal to the value of the employee shares, the value of the employee shares remaining is payable to the spouse's children in equal shares, and if no children survive, then to the parents of the spouse in equal shares, and if no children or parents survive, then to the estate of the spouse.

(b) A participant or a former participant and the person's spouse may make a joint specification, in writing, on a form prescribed by the executive director, that the benefits provided in this section must be paid only to the designated beneficiary.

Subd. 2a. **Surviving spouse coverage term certain.** In lieu of the annuity under subdivision 2, clause (2) or (3), or in lieu of a distribution under subdivision 2, clause (1), the surviving spouse of a deceased participant may elect to receive survivor coverage in the form of a term certain annuity of ten, 15, or 20 years, based on the value of the remaining shares. The monthly term certain annuity must be calculated under section 352D.06, subdivision 1.

Subd. 2b. **Postretirement adjustment eligibility.** A survivor benefit under this section is eligible for postretirement adjustments under section 356.415.

Subd. 3. **Refund to beneficiary.** If a participant dies and has no surviving spouse, the value of the total shares is payable to a designated beneficiary, but if the beneficiary dies before receiving payment, or if no beneficiary has been named, the value of the shares is payable to the children of the participant in equal shares, or if no children survive, then in equal shares to the parents of the participant, or if no parents survive, then to the estate of the participant.

History: *1973 c 624 s 9; 1975 c 368 s 49,50; 1986 c 444; 1989 c 319 art 1 s 15; 2004 c 267 art 9 s 12-14; 2008 c 349 art 5 s 13; 2009 c 169 art 1 s 30*