



# Death Claim Processing

## OVERVIEW

When a participant becomes deceased, their account assets may be distributed to their designated beneficiaries. A beneficiary may be an individual or an entity. Participants may designate multiple beneficiaries.

For Plan's with a beneficiary spousal consent provision, married participants must obtain spousal consent to designate a non-spouse as beneficiary to receive more than a certain percentage of their assets as defined by the Plan. For example, if the Plan requires married participants to designate their spouse as 100% beneficiary, then the participant must obtain spousal consent in writing to designate a non-spouse as beneficiary to receive any percentage of their account assets.

If a participant did not designate a beneficiary or all designated beneficiaries predecease the participant, assets may be distributed to claimants according to the plan document's default hierarchy or payout order.

A death claim is a request made by a beneficiary or other potential claimant for the transfer or payout of a deceased participant's (decedent's) Plan account assets.

When a death claim is processed, assets are segregated from the decedent's account and deposited into new account established in the beneficiary's name. The beneficiary's account is commonly referred to as a Takeover Account.

### Notification of Death

A death certificate is considered official notification of death and must be submitted to Empower to initiate the death claim process.

Death certificates must include a cause of death. However, some states do not indicate a cause of death on the certificate. In these circumstances, the death certificate (without listing the cause of death) is acceptable. Death certificates with a cause of death listed as "pending investigation" are not accepted.

If the participant died outside of the United States, instead of a traditional death certificate, the claimant must provide a Report of a Death of an American Citizen Abroad certificate certifying the deceased died outside of the United States. This would also be considered official notification of the participant's death.

Official notification of death is accepted from Plan Administrators, beneficiaries, or other potential claimants to initiate the death claim process.

### Initiating a Death Claim

Death claim processing cannot begin until Empower receives official notification of death, typically an original or certified copy of the death certificate as outlined above. Plan Administrators may provide a copy of the death certificate to initiate the process, or one may be included with a beneficiary's Death Benefit Claim Request form.

Plan Administrators may download a copy of the Plan's Death Benefit Claim Request form from the Plan Service Center (PSC) or may refer beneficiaries to Empower's Beneficiary Support Services Team to obtain a copy of the Plan's Death Benefit Claim Request form.

**NOTE:** Beneficiary Support Services verifies individuals are designated beneficiaries before providing a copy of the Plan's Death Benefit Claim Request form. If the beneficiary status cannot be confirmed, Empower may contact the Plan Administrator to provide instruction as described above.

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## Verifying Beneficiary of Record With Beneficiary Recordkeeping Services

When Empower provides Beneficiary Recordkeeping services, then upon receipt of official notification of death, Empower:

- Reviews the decedent's account and any applicable Beneficiary Designation forms to identify the decedent's designated beneficiaries.
- Verifies beneficiary designations meet the Plan's beneficiary spousal consent requirements as applicable.

If the decedent has no named beneficiaries on file, Empower contacts the Plan Administrator to determine if the decedent may have designated a beneficiary with the Plan Administrator separately.

**NOTE:** Additional documentation may be required certify different types of beneficiaries such as estate or trustee.

## Updating Decedents Account

Upon receipt of official notification of death, Empower:

- Verifies the death certificate provided is an original or certified copy and was filed in the state where the death occurred.
- Updates the decedent's account as follows:
  - Adds participant's date of death.
  - Removes participant's online account access.
  - Places a disbursement hold on the account.
  - Terminates active periodic payments, if applicable.

If the Decedent set up future payments from the Plan:

- Periodic payments scheduled prior to the participant's death are paid as originally directed.
- Periodic payments scheduled after the participant's death are terminated and outstanding periodic payments are reversed (if paid out in the same tax year in which the participant died) and reissued to the appropriate claimant(s).

If checks issued to the decedent remain uncashed:

- Issued before the participant's death, reissues the check paid to the decedent's estate.
- Issued after the participant's death, reissues the check paid to the beneficiary. If multiple beneficiaries, reissues the check to the beneficiaries according to the percentage of total benefits to which each beneficiary is entitled.

If defaulted loans exist in the decedent's name, advises claimant as to how defaulted loans are addressed. If Plan provisions do not address how defaulted loans are handled upon the death of the participant, the standard procedure is to offset the defaulted loan under the decedent's SSN.

## Without Beneficiary Recordkeeping Services

When Empower does not provide Beneficiary Recordkeeping Services, the Plan Administrator retains responsibility for verifying:

- A claimant is a beneficiary or otherwise entitled to the decedent's assets according to the Plan document's default payout hierarchy.
- Spousal consent was previously obtained for a non-spouse beneficiary if/when applicable.

If the decedent has no named beneficiaries on file, then the Plan Administrator retains responsibility for providing and/or confirming payout instructions.

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## Death Claim Processing Authorization

Empower reviews completed death claim forms to determine if the request is in good order. If the request is not in good order, then Empower instructs the participant to contact Empower to provide the missing or corrected information needed for processing. If the request is in good order, next steps vary based on the Plan's elected approval method.

### Empower Provides Death Claim Approval Services

If the request is in good order and the claimant is a confirmed beneficiary, then the death claim is processed without the Plan Administrator's further approval.

Death claim processes and standards described in this guide are designed to facilitate the practical processing of beneficiary death benefit claims, which can be performed by parties both unfamiliar with the participants, beneficiaries, and the Plan Administrator's standards of judgment and discretion.

It is expected that certain requests will be submitted which are not directly addressed by Empower's procedures and require Plan Administrator intervention. In such cases, Empower refers the request to the Plan Administrator for a determination.

### Plan Administrator Approves Death Claims

If the death claim is received in good order, Empower sends the request to the To Do List feature on the Plan Service Center (PSC) for final review and approval by the Plan Administrator or designated third-party.

If additional information is needed for processing (such as participant vesting information), the Plan Administrator provides the necessary information via the To Do List as part of the review and approval process.

If a signature is required on the Death Claim form, Plan Administrator downloads, prints, and signs the form, then returns a copy of the signed form to Empower via To Do List.

**NOTE:** The Plan Administrator is the arbitrator for any appeals on rejected claims. If the death claim is approved on the appeal, the Plan Administrator instructs Empower how to proceed.

The non-discretionary recordkeeping and administrative services described in this Service Overview are general in nature and reflect the standard service offering. Service descriptions are not specific to any plan provision or administration practice. The recordkeeper may agree to provide an alternate service arrangement, as applicable, if separately requested by the Plan Sponsor. FOR ADVISOR/PLAN SPONSOR OR TPA USE ONLY. Not for use with Plan Participants