



Dear ESSAA Administrators,

Recently, I asked our **ESSAA NYSTRS Pension Educator, David Daly**, to write a brief email article for our members explaining the difference between the NYSTRS in-service death benefit and the pension benefits available at retirement. I want to make sure that this is not construed to be a sales pitch for life insurance, but an opportunity for our members to learn how to protect their families should they pass away before retiring.

If, after reading Dave's message, you would like to speak with him, or Andrew Buttelman, I have included their contact information below the article. With that said, here are Dave's suggestions for our members. I hope you find the information helpful!

Will Your NYSTRS Death Benefits Be Enough?



Understanding the difference between your NYSTRS benefits while you are working and those available when you retire will ensure you make informed decisions to provide financial security for your beneficiaries at each of your life stages.

Prior to retirement, you are covered by the NYSTRS in-service death benefit, paid in a lump sum to **your most recent designated beneficiaries**. That **benefit is three times your last twelve months of salary**. For example, with a salary of \$120,000, the death benefit is \$360,000. However, it is essential you and your beneficiaries know **this is the only Retirement System benefit they will receive**. There is no protection for or payment of your pension benefit if you die before you retire.

Therefore, if you determine that your in-service death benefit, along with other available income and funds, will not be enough to meet your family's current and future financial needs, you may consider purchasing a private **term life insurance policy** to fill that gap until you retire. Then, when you retire, if you need to provide additional financial security for you and your

family, there are several choices to consider, including Retirement System options and private life insurance.

As with all of your financial accounts and legal documents, you must keep your beneficiaries for your in-service death benefit up to date. **The Retirement System is legally required to pay your last designated beneficiaries.** It is not unusual to discover parents, former spouses, or partners are still named, often causing hardship for current families and dependents. You can find your beneficiaries listed on your annual Benefit Profile, available online or mailed to you each November. It's easy to update your records online using your My NYSTRS account or by printing a new designation of beneficiary form at www.nystrs.org. Projections of both your active and future retirement benefits, in addition to a summary of your account, are also included in your Profile.

The bottom line. Throughout your career, take the time to assess your financial needs and goals. Knowing and sharing the information about your NYSTRS benefits will give you and your family peace of mind that you have taken the proper steps to provide them with a secure financial future.

*****David Daly was the manager of the Public Information Office of the New York State Teachers' Retirement System. He was the System's spokesperson and was responsible for its publications, website, and media information. Previously, he was the Administrator of Pre-retirement Planning where he organized and implemented the System's retirement planning seminar program, which is a model for other systems throughout the country. Also, previously he was Administrator of the National Pension Education Association and is a nationally known presenter on retirement planning issues and public employees' programs.***

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