

Death of an Employee

Checklists & Policies

North American Division of Seventh-day Adventists U.S.A.

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NAD Retirement Office

This booklet is designed primarily to assist in the case of the death of an employee, or in the death of a family member of an employee. While not all provisions apply in every case, it should serve as a reference to know where to start and what to ask.

This booklet may be of value to the following individuals in the case of death of an employee:

- C Administrator of employing organization
- C Pastor of the surviving family
- C Friends of the family
- C Surviving family members

Adventist employees give of their lives to serve the Lord. They sacrifice much in the crusade against evil. When one goes down in battle, it is a duty and privilege to minister to the needs of the family. To do less is unthinkable.

The information in this booklet was believed to be accurate at the time of printing. It is very possible that policies and governmental rules have changed in the interim. This booklet cannot replace a qualified attorney or a certified financial planner. It provides a list of subjects that need to be considered by those dealing with the loss of a loved one. If significant assets or insurance payments are involved, a professional advisor can be of great value.

Key: **Italicized numbers indicates a North American Division working policy number.**
Italicized statements beneath a section give suggestions as to where to get more complete information.

Financial Matters - Employee

Upon the death of an employee of the Seventh-day Adventist Church, there are a number of provisions and policies that become effective. Not all of those listed here apply to every employee, and there may be individual employers that provide benefits not mentioned here.

- A. Life Insurance - Church Plans X 35 05
 Adventist employers maintain a group life insurance policy for most employees. Most employers have provided opportunity for the employee to enhance this coverage by purchasing additional life-insurance through payroll deductions.
Employer Human Resources office
- B. AD&D Insurance X 28
 Adventist employers offer Accidental Death and Dismemberment policies for traveling staff. Most employers have provided opportunity for the employee to enhance this coverage by purchasing additional AD&D coverage through payroll deductions. If death occurred as the result of an accident, this policy may respond.
Employer Human Resources office
- C. Automobile Insurance Assistance X 30
 In the case of accidental death in a personally owned automobile, assistance may be available. Employees who are eligible for financial assistance are required to carry a high deductible, usually \$500. Policy provides for the employee to claim all but \$50 of the deductible from the employer. Policy permits employees to drop collision coverage on a vehicle worth \$2,000 or less. In that case the deductible assistance is usually provided up to the \$2,000 estimated value.
Employer Human Resources office
- D. Termination Settlement X 40
 Adventist employers may provide a termination settlement in the case of involuntary separation of an employee from

employment. Death of an employee qualifies the family for this benefit. The formula is:

25% of monthly salary x years of service up to 20 years of service. The maximum settlement is five months of pay.

Employer Human Resources office
 X 40 05 p2 *Eligible Recipient*
 X 40 15 p7 *Eligibility at death*
 X 40 30 p1 *Amount of Settlement*

- E. Retirement Matters
 Adventist employers provide retirement benefits for their employees which contain some survivor benefits. Retirement policies and eligibility rules are complex and cannot be thoroughly dealt with in this booklet.
Pension survivor eligibility
 Service prior to 2000 resulted in a pension with various monthly benefits for the surviving spouse.
DC plan eligibility Beneficiary & rollover kit
 Service after 1999 in most cases provided an employee with a 403(b) retirement savings account.
Employer Human Resources office
Surviving Spouse Retirement Benefits:
 Z 20 25 *Death While Retirement Eligible*
 Z 20 30 *Death Before Retirement Eligible*
 Z 20 35 *Temp. Surviving Spouse Benefits*
Appendix B for retirement savings account
- F. Continuation of Salary D 50, D65
 Adventist employers provide banked leave time. Depending on whether the employee was exempt (salaried) or non-exempt (hour-time) the following leave time may be available to provide continuation of salary for the deceased or the denominationally employed spouse.
 C Unused vacation
 C Unused short-term sick bank
 C Bereavement leave for employed spouse of deceased employee

Employer Human Resources office

- G. Workers' Compensation
If death occurred on the job, the employer's workers' compensation policy should provide assistance, depending on the rules for eligibility and the circumstances of death.
Employer Human Resources office
- H. Healthcare Assistance
Adventist employers provide a healthcare assistance plan to full-time regular employees, and in some cases family members. However upon the death of an employee such assistance ceases. Employers may have provision for limited continuation of healthcare assistance for survivors.
Employer Human Resources office
Adventist Risk Management (800) 638 0589
- I. Tuition Assistance X 24
Adventist employers provide tuition assistance to some employees if their children are attending an Adventist educational institution. Employers may have provision for limited continuation of tuition assistance to complete either the semester or the school year.
Employer Human Resources office
- J. Family Move X 23
Adventist employers provide a retirement move to employees who have been moved by the Church at some time in their career. While the policy does not specifically apply this policy to the death of an employee, employers may provide a move to the surviving family members if that employee would have become eligible for a retirement move.
Employer Human Resources office
- K. Direct Deposit Account
The family should verify that any direct deposit accounts are accessible by the family after the death of the wage-earner or

ensuing payments may be tied up just at the time they are sorely needed.

- L. Misc. Assistance
Some employers will provide assistance in a number of areas not specifically spelled out in policy, including:
- C Financial counselor
 - C Burial site or other funeral expense assistance
 - C Repatriation of remains if death occurs away from home
- Employer Human Resources office*

Financial Matters - General

Death involves many financial matters. The following items should be considered.

- A. Life Insurance - In addition to the employer provided coverage in the above section, the employee may have purchased life insurance personally, either through payroll deduction or directly from a vendor. The survivor may have to make a decision about a payment plan:
- C Cash payout, or
 - C Fixed payments over time
- The Surviving Spouse may wish to consult a financial advisor before making the decision. A cash payout can assist with debt liquidation, but the Surviving Spouse may prefer a steady flow of income.
- B. Credit Card Insurance
Many credit cards carry various insurance products.
- C Accidental death if death is due to public transportation accident purchased with the card
 - C Credit card debt insurance, which pays off any outstanding credit card debt
- These benefits are usually described in initial enrollment documentation, but can probably be best obtained by calling

the service number on the monthly statement from the credit card vender.

C. Social Security Survivor Benefits

If the deceased paid into Social Security for at least 40 quarters, the surviving spouse may be eligible for assistance from Social Security. This may include:

- C One-Time Death Benefit
- C Survivor's Benefit for a Spouse or Children
- C Disabled Spouse or Child benefits

Social Security - (800) 772 1213.

To apply:

- C *Deceased birth & death certificates*
- C *Marriage certificate*
- C *Birth certificates for dependent children*
- C *Social Security Numbers for all*
- C *Last federal income tax return*

D. Taxes - Parsonage Allowance issues

If the deceased was a minister, qualifying expenses incurred up to the date of death are reportable to the employer as parsonage allowance and thus excludable from taxable income. This usually involves a report to the employer towards the end of the calendar year.

Employer payroll office, or treasury

E. Debt Restructuring

Home mortgage, lines of credit, auto loans, credit card debt are all in somebody's name. Generally, the debt should be registered in the survivor's name. If debt insurance was purchased, apply for it through the vendor. If the Surviving Spouse is not certain, he/she should ask if debt insurance has been purchased.

F. Asset Ownership/Title

The Surviving Spouse may need to transfer ownership of key assets, many of which are probably held in both names:

- C Insurance policies
- C Bank and brokerage accounts, signature cards
- C Tax deferred accounts such as IRAs, TDAs, TSAs
- C Automobiles
- C Home
- C Business

Usually a death certificate will be required to make the change.

Insurance agent

Bank

Broker

State Department of Motor Vehicles

G. Administration of Will

Probate is the process of caring for personal assets of a person who dies. If there is a will, it may automatically transfers all assets to a surviving spouse, although that is not always the case. If all assets are jointly owned by the deceased and surviving spouse, probate may not be necessary. Legal assistance may be required in the case of complex estates or sizeable assets.

The survivor should review his/her will after the death of a spouse. Circumstances have changed, and generally the will should be re-drafted by a qualified attorney.

H. Veteran's Benefits

If the deceased was a veteran, the surviving spouse may be eligible for burial assistance including a lump sum of \$300, a free headstone and either a free burial plot in a national cemetery, or an allowance of \$150 towards a private plot.

Veterans Administration - (800) 827 1000

Miscellaneous Matters

The following are some miscellaneous issues that need to be considered and cared for.

A. Death Certificates
The surviving spouse will need to have certified copies of death certificates. These can be obtained either through the funeral director or directly from the county health department. The survivor should probably get at least twelve certified copies.

B. Credit Card and Credit History
Credit cards held only by the deceased should be cancelled. Outstanding bills should be paid to avoid impacting the survivor's credit history.

Be careful here. The Surviving Spouse may not know who is the principal credit card holder. Generally the Surviving Spouse informs the credit card company of the death of the deceased so that they will remove his/her name. However if the deceased happens to be the principal card holder the company may cancel the card and denying use of it without notice. The surviving spouse must understand what the credit card company is going to do.

If the survivor has no credit cards in his/her name, he/she should apply for one immediately to begin to build a credit history.

Credit Card Service Center (on monthly statement)

C. Airline/Hotel Frequent Traveler Points
If the employee was a frequent traveler, don't forget to consider the value of airline miles and hotel points. The airline may require a death certificate to allow the survivor to control awards. Some awards expire, so contact the appropriate company and ask.

Service Center (on monthly or quarterly statement)

Appendix A: Helpful Resources

Web Sites

Veterans Administration www.va.gov
Social Security Administration www.ss.gov
National Funeral Directors Association www.nfda.org
Parents Without Partners www.parentswithoutpartners.org

Books

When God Interrupts by M. Craig Barnes, Inter Varsity Press, 1996
A Letter of Consolation by Henri J M Nouwen, HarperCollins, 1982
A Grace Disguised by Gerald L. Sittser, Zondervan, 1996
Disappointment With God by Philip Yancey, Zondervan, 1988
Let Me Grieve But Not Forever by Verdell Davis, Thomas Nelson & Sons, 1997
A Grief Observed by C. S. Lewis, HarperCollins, 1994

Appendix B: DC Plan Procedures at Death of Employee

When an active employee dies, it is the responsibility of the Employer to inform survivors of the options available to them.

1. Employer should send a 'deceased' code through the transmittal system via the NAD to VALIC.
2. Employer should immediately send a copy of the Salary Reduction Agreement form to the Adventist Retirement Plan, North American Division, by fax (301 680 6190) or mail. The SRA includes the beneficiary declaration.
3. ARP will authorize VALIC to provide survivor with options.
4. Employer should refer beneficiary to a VALIC representative who can assist in options available:
 - a. Cashout - possible tax implications
 - b. Rollover to a tax deferred account in the name of the beneficiary
 - c. Purchase of an annuity in the name of the beneficiary

Appendix C:

The following is a Sample Checklist Prepared By GC Human Resources Office for internal use. Employers should develop their own protocols for non-policy benefits.

WHEN A DEATH OCCURS....

Death Of An Employee

When Surviving Spouse Is Employed By General Conference

1. Airline Frequent Flyer Miles (if traveling staff)
2. Burial Site
3. Flags (Front of GC building)–Lowered (Facilities Services)
4. Floral Arrangement(s)
5. Grief Resources
 - Care Notes literature (supplied by HR)
 - National Funeral Directors Association
www.nfda.org
 - Grief-related literature
 - Parents Without Partners Organization
www.parentswithoutpartners.org
6. Health Care Assistance
 - Counseling assistance
7. Human Resources (HR) Assistance

- Letter(s) of condolence
- Information on process
8. Insurance(s)
 - AD&D
 - Employee Survivor Benefit
 - Optional (Life Insurance-Hartford, etc.)
9. Leave(s)
 - Bereavement
 - FMLA
 - Paid Leave (vacation and/or sick)
 - Unpaid
 - Compassionate
 - Sharing Paid Leave
10. List of Other Employees (experienced similar event)
11. Office of General Counsel-Employee Advice
12. Parsonage Exclusion (if deceased ordained)
13. Retirement Issues
 - HR adjusts payroll issues
 - Roll-Over Kit forwarded from VALIC
14. Salary Continuation Issues
15. Social Security
www.ssa.gov
SSA Survivors Planner
16. Tuition Assistance (currently enrolled covered dependent)
17. Veterans Benefits (if employee was a veteran)
18. Work Scheduling (flexible)
19. Workers' Compensation (death occurred while employee engaged in assigned work)
 - In-House Crisis Management Protocol
20. Other...

When Surviving Spouse Is Not Employed By General Conference

1. Airline Frequent Flyer Miles (if traveling staff)
2. Burial Site

3. Flags (Front of Building) - Lowered (Facilities Services)
4. Floral Arrangement(s)
5. Grief Resources
 - National Funeral Directors Association
www.nfda.org
 - Grief-related literature
 - Parents Without Partners Organization
www.parentswithoutpartners.org
6. Health Care Assistance (if spouse is covered dependent)
 - Counseling
7. Human Resources (HR) Assistance
 - Letter(s) of condolence
 - Information on process
8. Insurance(s)
 - AD&D
 - Employer provided Life Insurance
 - Optional (Life Insurance-Hartford, etc.)
9. Parsonage Exclusion (if deceased ordained)
10. Retirement Issues
 - HR plays no direct role-directs spouse to NAD
 - Retirement Office for assistance
11. Salary Continuation Issues
12. Social Security
www.ssa.gov
SSA Survivors Planner
13. Tuition Assistance (currently enrolled covered dependent)
14. Veterans Benefits (if employee was veteran)
15. Workers' Compensation (death occurred while employee engaged in assigned work)
 - In-House Crisis Management Protocol
16. Other...

Appendix D: Family Check-List

The following checklist is based on the items included in this book.

Financial Matters - Employee

Life Insurance - Church Plans	<i>Employer</i>
AD&D Insurance	<i>Employer</i>
Automobile Insurance Assistance	<i>Employer</i>
Termination Settlement	<i>Employer</i>
Retirement Matters	<i>Employer</i>
Continuation of Salary	<i>Employer</i>
Workers' Compensation	<i>Employer</i>
Healthcare Assistance	<i>Employer</i>
Tuition Assistance	<i>Employer</i>
Family Move	<i>Employer</i>
Direct Deposit Account	<i>Bank & Employer</i>
Misc. Assistance	<i>Employer</i>

Financial Matters - General

Life Insurance - Personal	<i>Insurance Company</i>
Credit Card Insurance	<i>Credit Card Companies</i>
Social Security Survivor Benefits	<i>SS Administration</i> <i>(800) 772 1213</i>
Taxes - Parsonage Allowance	<i>Tax Preparer, Employer</i>
Debt Restructuring	<i>Mortgage Holder</i>
Asset Ownership/Title	<i>Titles & Documents</i>
Administration of Will	<i>Will, Attorney</i>
Veteran's Benefits	<i>Veterans Administration</i> <i>(800) 827 1000</i>

Miscellaneous Matters

Death Certificates	<i>Funeral Director, County Health Dept.</i>
Credit Card and Credit History	<i>Records</i>
Airline/Hotel Frequent Traveler Points	<i>Records</i>