

Survivor options explained applying the IRS formula

Under Internal Revenue Service (IRS) regulations, you may name any person as your survivor; however, if you designate someone other than your spouse, there are restrictions on the age difference between the member and the person designated when selecting the 100 and 75 percent options. If you name your spouse as your survivor, there are no age restrictions.

Here's how it works

For non-spouse survivors, the IRS takes the age difference between the member and named survivor and applies an adjustment. The adjusted age must be no more than 19 years younger than the member for the 75 percent option and no more than 10 years younger for the 100 percent option. In the example below, the actual age difference between the member and the survivor is 15 years. The adjusted number is actually 5, meaning that all of the survivor options would be available. See example below.

Example showing the adjusted age using the IRS formula

Step 1:

$$\begin{array}{r} 60 \text{ Member's age in retirement year} \\ -45 \text{ Named survivor's age in} \\ \text{member's retirement year} \\ \hline 15 \end{array}$$

Step 2:

$$\begin{array}{r} 70 \text{ IRS uses this number} \\ -60 \text{ Member's age in retirement year} \\ \hline 10 \end{array}$$

Step 3:

$$\begin{array}{r} 15 \text{ Final number from step 1} \\ -10 \text{ Final number from step 2} \\ \hline 5 \text{ Adjusted age difference} \end{array}$$

In this example, the member may select any of the four survivor options—100, 75, 50 or 25 percent—since there is not more than a 10 year age difference using the IRS formula.

If you name your spouse as your survivor, you may select any of the survivor options regardless of the age difference.

Guidelines if you designate a survivor other than your spouse

AGE DIFFERENCE*	OPTIONS AVAILABLE
Less than 11 years	100, 75, 50 or 25 percent survivor options
Between 11 and 19 years	75, 50, or 25 percent survivor options
There are no age restrictions for the 50 and 25 percent survivor options	
*The age difference is the adjusted age using the IRS formula	