

# NAMING A BENEFICIARY UNDER THE NB PUBLIC SERVICE PENSION PLAN DEATH BENEFITS AS AN ACTIVE EMPLOYEE



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## WHAT IS A BENEFICIARY?

Under the New Brunswick Public Service Pension Plan (NBPSPP), a beneficiary or beneficiaries are the individuals designated by you to receive the benefit available under the Plan in the event of your death. It should be noted that your spouse (if applicable) would be entitled to any death benefit before your beneficiary.

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## CAN MY SPOUSE BE MY BENEFICIARY?

Your spouse is automatically your pension beneficiary in the event of your death. You do not have to name your spouse as your beneficiary. However, if you were to name someone other than your spouse as your beneficiary, your spouse would still be entitled to the death benefit available upon your death.

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## WHO IS CONSIDERED A SPOUSE?

Under the NBPSPP, a spouse is either a person who is:

- legally married to the member; or
- has cohabitated in a conjugal relationship with the member for a continuous period of at least two years immediately before the date in question.

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## WHAT IF I WANTED SOMEONE OTHER THAN MY SPOUSE TO RECEIVE THE BENEFIT?

If you would like someone other than your spouse to receive the pension benefit in the event of your death, and your spouse agrees, your spouse can sign a [Pre-retirement Death Benefit Waiver Form](#) and waive all or a portion of their entitlement to the death benefit.

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### ARE MY DEPENDENT CHILDREN AUTOMATICALLY MY BENEFICIARIES?

No, any dependent children you may have are not automatically your beneficiaries.

In the event of your death and the death of your spouse (if applicable), it is very important to be aware that dependent children who are named as beneficiaries will be eligible to receive a monthly dependent pension (assuming you are vested under the NBPSPP and a lump sum payout has not occurred) for as long as they continue to meet the definition of a dependent child.

However, dependent children are only eligible to receive this monthly dependent pension if they are your designated beneficiaries prior to your death.

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### IF MY DEPENDENT CHILDREN ARE DESIGNATED AS MY BENEFICIARIES AND I HAVE A SPOUSE, WHO IS ENTITLED TO THE BENEFIT?

As previously outlined, your spouse is automatically your beneficiary and entitled to the benefit unless a [Pre-retirement Death Benefit Waiver Form](#) is completed.

If your spouse were to die either at the same time as you or following your death, any dependent children, if designated as your beneficiaries, would be eligible to receive a monthly dependent pension (assuming you are vested and a lump sum payment has not occurred) for as long as they continue to meet the definition of a dependent child.

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### WHO IS CONSIDERED A DEPENDENT CHILD?

A dependent child of a member is a child who is both dependent on the member for support, and is:

- under 19 years of age;
- under 25 years of age and is in full-time attendance at an educational institution, or
- dependent on the member because of mental or physical infirmity.

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### WHAT IF I DON'T HAVE A SPOUSE?

If you do not have a spouse, you can name the beneficiary of your choice.

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### WHAT HAPPENS IF I DON'T NAME A BENEFICIARY?

If you do not name a beneficiary and you do not have a spouse at the time of your death, the death benefit will be paid to your estate.

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### WHY IS IT IMPORTANT TO NAME A BENEFICIARY?

If you do not have a spouse or if you outlive your spouse, naming a beneficiary or beneficiaries allows for the direct payment of the death benefit without it having to go through your estate.

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### HOW DO I KNOW IF I HAVE NAMED A BENEFICIARY?

Your NBPSPP Employee Statement of Benefits will indicate whether you have named a beneficiary along with the percentage of benefit that you have designated for each beneficiary. You are not required to name your spouse as they are automatically your beneficiary.

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## HOW DO I DESIGNATE OR CHANGE MY BENEFICIARY?

If you would like to designate or change a beneficiary, please complete the [Designate / Change Beneficiary Form](#) and forward it to Vestcor at the address outlined on the form.

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## WHERE CAN I FIND MORE INFORMATION ON DEATH BENEFITS PAYABLE UNDER THE NBPSPP?

More information can be found in the employee booklet at [nbpspp.ca](http://nbpspp.ca).

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## CAN YOU PROVIDE SOME SCENARIOS AS EXAMPLES OF HOW THE DEATH BENEFIT COULD BE PAID?

The following provides a number of basic examples of how a death benefit would be paid:

### EXAMPLES (ASSUMING MEMBER IS VESTED)

#### Member has a spouse at time of death and:

A. They have designated their two dependent children as beneficiaries:

- A monthly benefit for the remainder of the spouse's life or lump sum value would be paid to the spouse
- Upon their spouse's death, if there remains any dependent children and the lump sum value was not paid to the spouse, they are entitled to a monthly benefit for as long as they meet the definition of dependent child

B. They have designated their two children as beneficiaries (50% each) and their spouse has signed the Pre-retirement Death Benefit Waiver form waiving their right to any entitlement to a benefit:

- 50% of the lump sum benefit would be paid to each child

C. They have designated their two children as beneficiaries (50% each) and their spouse had signed the Pre-retirement Death Benefit Waiver form waiving their right to 50% of the benefit:

- Spouse would receive 50% of the monthly benefit or lump sum value and each child would receive 25% of the lump sum value

D. The spouse dies at the same time as the member and the two children have been designated as beneficiaries (50% each):

- 50% of the benefit would be paid to each child (monthly pension if dependent or lump sum if they were not dependent)

E. The spouse dies at the same time as the member. They have two dependent children but they have not been designated as beneficiaries:

- The lump sum benefit would be paid to the estate

## EXAMPLES (ASSUMING THE MEMBER IS VESTED—CONTINUED)

### Member does not have a spouse at time of death and:

- A. They have designated their three adult children as beneficiaries (33.33% each):
- Each adult child would receive 33.33% of the lump sum value of the benefit
- B. They have designated their two dependent children as beneficiaries (50% each):
- 50% of the monthly benefit would be paid to each of the dependent children for as long as they meet the definition of a dependent child
- C. They have designated their four nieces and nephews as beneficiaries (25% each):
- Each niece or nephew would receive 25% of the lump sum value
- D. They have not designated a beneficiary:
- The lump sum benefit would be paid to the estate

If you have any questions, please contact a Pensions and Benefits Specialist with Vestcor by any of the following methods:



1-800-561-4012 (toll free)  
or 506-453-2296 (Fredericton)



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**DISCLAIMER:** If there is a discrepancy between the information contained herein and the pension plan text or other appropriate governing documents, the latter will prevail.

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