**Dual-Life Annuities**

The following options pay benefits over two lifetimes. They provide a benefit throughout the life of the retiree and then provide a continuing lifetime monthly benefit to a sole surviving beneficiary. The monthly benefit amount is based on the retiree's age and the age of the beneficiary at the retirement date.

Only one beneficiary may be named under the dual-life annuities. This beneficiary may be changed, but it will cause a recalculation of the retiree's benefit amount. Changing beneficiaries is a two step process and requires a positive election by the retiree. In most cases, the recalculated amount may be less than the current amount.

Dual-life annuities may provide continuing health-care coverage for eligible beneficiaries of qualifying state retirees. Your employer can provide you with details on any available healthcare benefits.

**OPTION 2 - 100% Survivor's Benefit**

Guarantees that at the retiree's death, the retiree's entire monthly benefit will continue to be paid to his or her beneficiary for the remainder of the beneficiary's lifetime. Payments cease upon the death of the beneficiary.

**OPTION 3 - 50% Survivor's Benefit**

Guarantees that at the retiree's death, one-half of the retiree's monthly benefit will continue to be paid to his or her beneficiary for the remainder of the beneficiary's lifetime. Payments cease upon the death of the beneficiary.

**OPTION 4 - 50% Survivor's Benefit with Pop-Up Provision**

Guarantees that at the retiree's death, one-half of the retiree's monthly benefit will continue to be paid to his or her beneficiary for the remainder of the beneficiary's lifetime. Payments cease upon the death of the beneficiary. The monthly benefit amount is based on the retiree's age and the age of the beneficiary at the retirement date. Only one beneficiary may be named under the dual-life annuities. This beneficiary may be changed, but it will cause a recalculation of the retiree's benefit amount. Changing beneficiaries is a two step process and requires a positive election by the retiree. In most cases, the recalculated amount may be less than the current amount.

Dual-life annuities may provide continuing health-care coverage for eligible beneficiaries of qualifying state retirees. Your employer can provide you with details on any available healthcare benefits.

**OPTION 5 - 100% Survivor's Benefit with Pop-Up Provision**

Guarantees that at the retiree's death, the retiree's entire monthly benefit will continue to be paid to his or her beneficiary for the remainder of the beneficiary's lifetime. If the beneficiary predeceases the retiree, the retiree's monthly amount will increase, or "pop up," to the Basic Allowance. If you are collecting the Basic Allowance and decide to name a new beneficiary, your benefit will be recalculated based on your age and the age of your new beneficiary and revert back to the provisions under Option 5. Retirees electing Option 5 cannot designate a beneficiary who is more than 10 years younger unless the beneficiary is the retiree's spouse or disabled child.

**OPTION 6 - 50% Survivor's Benefit with Pop-Up Provision**

Guarantees that at the retiree's death, one-half of the retiree's monthly benefit will continue to be paid to his or her beneficiary for the remainder of the beneficiary's lifetime. If the beneficiary predeceases the retiree, the retiree's monthly benefit will increase, or "pop up," to the Basic Allowance. If you are collecting the Basic Allowance and decide to name a new beneficiary, your benefit will be recalculated based on your age and the age of your new beneficiary and revert back to the provisions under Option 6.
When you retire, you will be able to choose from a number of payment options. These options range from the Basic Allowance, which provides the highest monthly allowance for you alone, to options that reduce your monthly retirement income but provide varying degrees of protection to your beneficiary(ies) upon your death.

Benefits under Options 1 through 6 are determined based on the Basic Allowance and actuarial factors. The actuarial factors used depend on the type of retirement (service or disability), the retirement date, the age of the retiree and, with some options, the age of the beneficiary. For the purposes of this retirement calculation, ages of the retiree and beneficiary are rounded up to the next age if the person is within six months of the older age. For example, if the age is 62 years and six months, the age used to determine the option factor will be age 63. Likewise, if the age is 62 years and five months, the age used will be age 62.

You can name anyone as your beneficiary. You are not required by law to name your spouse as your beneficiary at retirement. However, if you choose Option 2 or Option 5, your beneficiary cannot be more than 10 years younger than you unless the beneficiary is your spouse or disabled child.

You cannot change your option selection after your first payment becomes normally due. We urge you to discuss your needs with your family and financial advisor and carefully review your financial circumstances before selecting an option. You will want to consider how much income you will need to maintain an acceptable standard of living during retirement as well as the needs of your survivor(s) who may rely upon you for continuing income after your death.

**The Basic Allowance**
The Basic Allowance provides the maximum lifetime allowance to the retiree with all payments ceasing upon the retiree's death. Your survivor(s) will not receive a monetary benefit or, if eligible, continuing health insurance coverage. If you believe your spouse or other survivor(s) may need some form of income continuation after your death, you may wish to consider one of the other payment options.

**How the Options Work**
Options 1 through 6 guarantee you a monthly allowance during your lifetime and may provide either:

- **Single-Life Annuity**
  - a return of a single payment to your survivor(s) at your death

- **Dual-Life Annuity**
  - a continuing monthly payment after your death to your surviving beneficiary.

**Points to Remember:**
- You cannot change your option selection after your first payment becomes normally due.
- At retirement, you may be able to provide health insurance coverage for you and your eligible dependents. The payment option you choose may affect your beneficiary's eligibility for continued health coverage after your death. Check with your personnel office for the availability of health coverage after retirement.

**Single-Life Annuities**
These options are classified as "single-life" because they provide benefits over the retiree's lifetime only. Upon the retiree's death, any reserve funds remaining in the retiree’s account are distributed in a one-time, lump-sum payment to the retiree's designated beneficiary(ies).

Multiple beneficiaries may be named under the single-life annuities. These beneficiaries may be changed as often as desired.

**OPTION 1 - Full Return of Present Value of Retiree's Basic Allowance**
Guarantees the full return of the present value of the retiree's Basic Allowance computed at the time of retirement. If the retiree dies before receiving the full guaranteed amount, the remainder is paid in a single sum to one beneficiary or divided equally among multiple beneficiaries.

**OPTION 4 - Full Return of Employee Contributions**
Provides a return of the value of the member's accumulated contributions (employee contributions and interest). If the retiree dies before receiving the full guaranteed amount, the remainder is paid in a single sum to the retiree's beneficiary or divided equally among multiple beneficiaries.