



BENEFICIARY INFORMATION

1. **Use legal names** when designating a beneficiary.
2. A **primary beneficiary** is the party or parties who have first rights to receive policy benefits when the benefits of an insurance policy become payable.
3. A **contingent beneficiary** is a person(s) named to receive policy benefits if the primary beneficiary is deceased at the time the benefits become payable.
4. When completing a paper beneficiary designation form, **use permanent ink** (black or blue preferably), and **do not alter the form** (i.e. mark outs, white-out, etc.). If you make a mistake on your form, complete a new one.
5. You may update your beneficiary designation at any time. Contact the Benefits Office for beneficiary change forms.
6. **Exercise caution when listing a minor as a beneficiary.**

In administering the life insurance plans, we have noticed employees listing their children (*under age 18*) as beneficiaries of their life coverage. A child cannot give a valid release for the life insurance proceeds, which means that one of the following options would happen.

Option 1

A Probate Court would have to appoint a guardian to receive the proceeds in the child's name (*this would create legal fees and unnecessarily reduce the amount of proceeds from the life insurance*).

Option 2

If a guardian is not appointed by a Probate Court, the life insurance proceeds would have to be left with the life insurance company at a current rate of interest until the child reaches the age of maturity (*in Texas this age is 18*) or the Insurance Company could pay the proceeds into the registry of a Probate Court where the money would remain until the child's eighteenth birthday (*at a low interest rate*).

You can avoid both of these undesirable events by:

- a. Listing an adult for at least one of your beneficiaries, even if you make the notation "Share Equally"; or
- b. Naming your 'Estate' as beneficiary and then having a trust in your **up-to-date** Will which instructs that the proceeds are to be used solely for the benefit of the child or children.

This would avoid unnecessary expenses and allow the Trustee to receive the proceeds immediately after your death. Further, the trustee could invest such proceeds wisely or use them immediately for burial or current needs of the child or children.



YOUR TRS ACCOUNT: There is also a beneficiary with your Teacher Retirement System account that you need to keep updated, as well. To verify or change, call TRS at 1-800-223-8778.