

Deceased Employees

GOVERNMENT CODE SECTION 53245: Any person now or hereafter employed by a county, city, municipal corporation, district, or other public agency may file with his appointing power a designation of a person who, notwithstanding any other provision of law, shall, on the death of the employee, be entitled to receive all warrants or checks that would have been payable to the decedent had he survived. The employee may change the designation from time to time. A person so designated shall claim such warrants or checks from the appointing power. On sufficient proof of identity, the appointing power shall deliver the warrants or checks to the claimant. A person who receives a warrant or check pursuant to this section is entitled to negotiate it as if he were the payee.

- Designation of Beneficiary Pay warrant – (sample form)
- Deceased Employee Checklist (sample)
- Affidavit for Collection of Personal Property Under California Probate Code Sections 13100-13106 (form)
- Reporting Deceased Wage Payments Form W-2 and/or Form 1099-MISC – (example)
- SDCOE – Reporting of Deceased Employee’s Wage Payment(s) (SDCOE form)- Send to Payroll Services SS/MED/W2c unit for warrant issued after death to reduce box 1 & 16 taxable income for current year.

Wages and other compensation paid after death may include:

Vacation, retro pay, award, taxable damages , and other taxable income

- If paid in year of Death to Estate report:
 - Federal wages on 1099-MISC, Box 3
 - Social Security wages & tax on W-2, Box 3 & 4
 - Medicare wages & tax on W-2, Box 5 & 6
 - Do not show payment in Box 1 of W-2
- If paid in year after Death to Estate report:
 - Federal wages on 1099-MISC, box 3 (other income)
 - Do not report payment on W-2
 - Exempt from Social Security tax
 - Exempt from Medicare tax

Back up withholding - The employer must have the TIN of the beneficiary or estate to avoid backup withholding of 24%

(SAMPLE)

**DESIGNATION OF BENEFICIARY
PAY WARRANT**

As provided in Section 53245 of the California Government Code, in the event of my death, I hereby designate the following person to receive all warrants or checks that will be payable to me from:

(SCHOOL DISTRICT)

NAME OF DESIGNEE _____ SSN _____

ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

In the event that the person indicated above predeceases me I hereby designate the following person as a secondary beneficiary.

NAME OF SECONDARY DESIGNEE _____

SOCIAL SECURITY NUMBER _____

ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

This designation form cancels and replaces any designation previously signed for this purpose and shall remain in effect until cancelled in writing.

On sufficient proof of identity, the appointing power shall release the warrants or checks to the above designee. The designee who receives a warrant or check is entitled to negotiate it as if the payee.

EMPLOYEE NAME _____

DATE _____

SIGNATURE _____

NOTE: IT IS IMPORTANT THAT YOU UPDATE THIS FORM WHEN CHANGES OCCUR THAT WOULD AFFECT YOUR DESIGNATION OF BENEFICIARY.

(SAMPLE) Deceased Employee Checklist

Employee Name: _____ SSN _____ DOD _____

Date

Notification date, from _____

Review employee file for beneficiary forms, etc.

Contact PERS/STRS

Life Insurance

Contact life insurance

Complete life insurance claim form

Receive death certificate

Finalize claim and send to insurance company

Contact family

- by phone

- sent letter

- meet with family

Health Insurance

- No COBRA letter needed

- COBRA letter mailed or delivered to family

- Complete insurance change forms and send to carrier

Calculate final pay

- check for supplemental pay

- check for out of sick leave docks and/or vacation pay off

- direct deposit - if spouse w/joint account let pay process with next payroll

- if no spouse and no beneficiary for warrants then complete Probate Affidavit

- if pay is in calendar year following death use special pay procedures, see W2 instructions

**AFFIDAVIT FOR COLLECTION OF PERSONAL PROPERTY
UNDER CALIFORNIA PROBATE CODE SECTIONS 13100-13106**

The undersigned state(s) as follows:

1. (Decedent's Name) _____ died on (date) _____, in County of _____, State of California [before April 1, 2022].
2. At least 40 days have elapsed since the death of the decedent, as shown in a certified copy of the decedent's death certificate attached to this affidavit or declaration.
3. (Check one):
 - No proceeding is now being or has been conducted in California for administration of the decedent's estate.
 - The decedent's personal representative has consented in writing to the payment, transfer, or delivery to the affiant or declarant of the property described in the affidavit or declaration.
4. The current gross fair market value of the decedent's real and personal property in California, excluding the property described in Section 13050 of the California Probate Code, does not exceed \$166,250.
5. (Check one):
 - An inventory and appraisal of the real property included in the decedent's estate is attached.
 - There is no real property in the estate.
6. The following property is to be paid, transferred, or delivered to the undersigned under the provisions of California Probate Code Section 13100:

7. The successor(s) of the decedent, as defined in California Probate Code Section 13006, is/are:

8. The affiant or declarant (check one):
 - Is/are the successor(s) of the decedent (as defined in Section 13006 of the California Probate Code) to the decedent's interest in the described property.
 - Is/are authorized under Section 13051 of the California Probate Code to act on behalf of the successor of the decedent (as defined in Section 13006 of the California Probate Code) with respect to the decedent's interest in the described property.
9. No other person has a superior right to the interest of the decedent in the described property.
10. The affiant or declarant requests that the described property be paid, delivered or transferred to the affiant or declarant.

The affiant or declarant affirms or declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: _____

Name:

Dated: _____

Name:

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

On _____ before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public (Seal)

**(SAMPLE) REPORTING DECEASED WAGE
PAYMENTS FORM 1099-MISC**

Example: An employee dies on August 15, 2021 and is owed \$10,000. The payment is made to the employee's estate on October 1, 2021.

The employer withheld Social Security tax in the amount of \$620.00 and Medicare tax in the amount of \$145.00 resulting in a net check of \$9,235.00.

On the employee's Form W-2 the payment will be reported as follows:

Box 3 – Social security wages	10,000.00
Box 4 – Social security tax	620.00
Box 5 – Medicare wages	10,000.00
Box 6 – Medicare tax	145.00

On the estate's Form 1099-MISC the payment will be reported as follows:

Box 3 – Other Income	10,000.00
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If the employer has funds due the employee on the date of the employee's death and the amounts are paid in the year after the employee's death, the amount is not subject to income, Social Security, or Medicare tax withholding. The amount not subject to withholding is reported on Form 1099-MISC in box 3, Other Income.

Example: An employee dies on December 15, 2021 and is owed \$10,000. The payment is made to the employee's estate on January 15, 2022.

The employer will not withhold Social Security or Medicare tax. The net payment will be \$10,000.

The payment will not be reported on the employee's Form W-2.

On the estate's Form 1099-MISC the payment will be reported as follows:

Box 3 – Other Income	10,000.00
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In order to avoid backup withholding (24%) on the payment to the estate or beneficiary, the employer must have received the estate's or beneficiary's taxpayer identification number prior to making payments that are subject to reporting on Form 1099-MISC.

San Diego County Office of Education

**REPORTING OF
DECEASED EMPLOYEE'S WAGE PAYMENT(S)**

DISTRICT _____

EMPLOYEE'S NAME _____

EE ID - REC # _____

DATE OF DEATH _____

**AMOUNT OF WAGES PAID AFTER DEATH IN SAME CALENDAR YEAR
ON PAYROLL SYSTEM**
(Tax Balance Adjustment---Reduce Box 1/16 Wages)

\$ _____ **Paycheck #** _____ **Paycheck Date:** _____

**AMOUNT OF WAGES PAID AFTER DEATH IN FOLLOWING CALENDAR YEAR
ON A COMMERCIAL WARRANT**
(Creditable Wages to be Reported to the Retirement System)

STRS or PERS
Creditable Wages
(circle one)

\$ _____ **Paycheck #** _____ **Paycheck Date:** _____
(Creditable Wages)

Pay Rate \$ _____ **Retro Pay: Yes or No (circle one)**

Signature _____ **Date** _____
Authorized District Representative