



CITY OF HOUSTON

Administrative Procedure

Subject: **Death Termination Benefits**

A.P. No:

3-3

Effective Date:

June 13, 2013

1. AUTHORITY

- 1.1 Article VI, Section 7a, City Charter of the City of Houston; Code of Ordinance, 14-224, Termination Benefits.

2. PURPOSE

- 2.1 To provide a uniform system of rules and procedures for beneficiary designation and, in the event of the death of an active City of Houston ("City") Employee (as hereinafter defined) for payment of Death Termination Benefits (as hereinafter defined) in accordance with state law and/or this procedure.

3. OBJECTIVE

- 3.1 To ensure that Death Termination Benefits are paid to designated beneficiaries or absent designation, to heirs of a deceased City Employee in accordance with state law and/or this procedure.

4. SCOPE

- 4.1 This Administrative Procedure supersedes all inconsistent City policies, procedures or practices and becomes effective as of the date signed. This Administrative Procedure applies to all employees of the City.

5. DEFINITIONS

Beneficiary – A person to whom Death Termination Benefit payments are payable.

Claimant – A person asserting a claim for Death Termination Benefits, including a designated beneficiary, legal representative, executor/executrix, administrator/administratrix, heir or other person regardless of their authority to receive a distribution of benefits.

Death Termination Benefits – The accrued balance calculated as of the date of death or separation from service of an Employee of any unpaid wages, unused vacation time and/or compensable sick leave (CSL) exceeding 1,040 hours, modified sick plan (MSP) leave hours, termination pay, Paid Time Off (PTO) pay, personal hours, and/or drag-out/up pay. Life insurance benefits are not encompassed in this definition.

Approved:

Date Approved:

06/03/2013

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Decedent – An Employee who has died while in the active employ of the City.

Employee – A full time or part-time employee of the City, including classified employees.

6. RESPONSIBILITIES

6.1 Employees:

- 6.1.1 Shall designate in writing a beneficiary on the City's approved Final Paycheck Beneficiary Form (See Appendix A). All such forms shall be dated, signed and returned to Human Resources by the Employee.
- 6.1.2 Who are married and designating a person other than a spouse for Death Termination Benefits shall secure the signature of his/her spouse reflecting his/her approval of such designation.
- 6.1.3 Shall have the sole responsibility to amend or modify beneficiary designations to the extent previous designation(s) no longer reflect the wishes of the Employee. Amendments or modifications to beneficiary designations must be made on the City's approved Final Paycheck Beneficiary Form, and shall be dated, signed and returned to Human Resources by the Employee in order to be effective.

6.2 Human Resources Department:

- 6.2.1 Shall, in conjunction with an Employee's new hire orientation, secure a designation of the Employee's Death Termination Benefits beneficiary. Employee designations are to be made on the City's approved designation form, entitled "Final Paycheck Beneficiary Form" (See Attachment).
- 6.2.2 Shall use reasonable means to inform existing Employees of this policy and to facilitate beneficiary designations by current Employees.
- 6.2.3 Shall, upon notification of a claim for Death Termination Benefits, assemble documentation required to carry out or implement these procedures; such documentation to include original, notarized or certified copies of the following:
 - 6.2.3.1 When a beneficiary has been designated on the City's approved Final Paycheck Beneficiary Form:
 - 6.2.3.1.1 Final Paycheck Beneficiary Form;
 - 6.2.3.1.2 Final Death Claim Disbursement form;
 - 6.2.3.1.3 Claim for Death Termination Pay form filled out by or on behalf of the Claimant, bearing Claimant's original signature or the original signature of claimant's legal guardian;
 - 6.2.3.1.4 Decedent Employee's death certificate;
 - 6.2.3.1.5 Acknowledgement form filled out by the Claimant, bearing Claimant's original signature acknowledging applicable federal taxes will not be withheld from benefits that are disbursed;
 - 6.2.3.1.6 W-9 Request for Taxpayer Identification Number and Certification form completed by Claimant;

- 6.2.3.1.7 Journal Entry from the City's SAP Program detailing Death Termination Benefits, where appropriate; and
- 6.2.3.1.8 Such other documents specific to the claim for benefits as may be reasonably required such as an original or certified copy of a marriage certificate or letters of guardianship.
- 6.2.3.2 Absent designation of a beneficiary on City's approved Final Paycheck Beneficiary Form or in the event beneficiary pre-deceases:
 - 6.2.3.2.1 Final Death Claim Disbursement form;
 - 6.2.3.2.2 Claim for Death Termination Pay form filled out by or on behalf of the Claimant, bearing Claimant's original signature or the original signature of Claimant's legal guardian;
 - 6.2.3.2.3 Decedent Employee's death certificate;
 - 6.2.3.2.4 If Claimant was decedent Employee's spouse at the time of Employee's death, then Claimant must provide an original or certified copy of their marriage certificate;
 - 6.2.3.2.5 Acknowledgement form filled out by the Claimant, bearing Claimant's original signature or the original signature of Claimant's legal guardian acknowledging applicable federal taxes will not be withheld from benefits that are disbursed;
 - 6.2.3.2.6 W-9 Request for Taxpayer Identification Number and Certification form completed by Claimant;
 - 6.2.3.2.7 Journal Entry from the City's SAP program detailing Death Termination Benefits;
 - 6.2.3.2.8 Affidavit of no records certifying the absence of an executed beneficiary designation form in City files by Human Resources;
 - 6.2.3.2.9 Certified Letters Testamentary; and
 - 6.2.3.2.10 Such other documents specific to the claim for benefits as the City Attorney may reasonably require.
- 6.2.4 Shall verify the authenticity of all documents required to carry out or implement these procedures, as listed above, and shall transmit the original, notarized and/or certified copies of the same to the City Attorney for review and approval or rejection.
- 6.2.5 Shall, upon receipt of City Attorney's written approval for payment, ensure that Death Termination Benefits are distributed in compliance with state law and/or this administrative procedure.
- 6.2.6 Shall, absent a claim requesting payment of Death Termination Benefits, maintain an accurate accounting of unpaid Death Termination Benefits and follow an escheatment process consistent with state laws.

- 6.3 City Attorney: Shall evaluate the sufficiency of documentation assembled by Human Resources and determine whether Death Termination Benefits should be paid. If after evaluating the documentation provided by Human Resources the City Attorney concludes that Death Termination Benefits should be paid, the City Attorney shall authorize payment and notify Human Resources of same by the City Attorney or designee's signature on the Final Death Claim Disbursement form. If the City Attorney concludes that payment should not be authorized, the City Attorney shall advise Human Resources.
- 6.4 Claimants: It shall be the sole responsibility of the Claimant to notify the City of their claim for the decedent Employee's Death Termination Benefits. Absent this request made by a Claimant, the City will proceed in its escheatment process in accordance with state laws. Claimants shall be solely responsible for claiming monies which have been transferred to the Texas State Comptroller through escheatment.
- 6.5 Controller's Officer: Shall review all documentation assembled by Human Resources to confirm the accuracy of payment amount calculation, accounting information posting, the validation of signatures used for authorization, and to ensure compliance with the Texas State Comptroller escheatment process for a non-cashed payment check or unclaimed Death Termination Benefits held beyond the legal holding period.

7. APPENDIX

- 7.1 Form A - Final Paycheck Beneficiary Form

Form A
Beneficiary Designation Form

CITY OF HOUSTON

DEATH TERMINATION PAY BENEFICIARY DESIGNATION FORM

<input type="checkbox"/> Election <input type="checkbox"/> Change <input type="checkbox"/> Effective Date _____													
Employee I. D. Number			Department				Social Security No.				Sex		
												<input type="checkbox"/> Male	<input type="checkbox"/> Female
Last Name				First Name				M.I.	Work Phone: ()				
Address				Apt. No.	City				State		Zip Code		

TERMINATION PAY - If my termination of employment with the City of Houston is by reason of my death, I affirm the beneficiary, designated herein on this form, to receive any pay, which I otherwise would have received, payable based on my employment. Pay includes, but is not limited to, wages, value of unused vacation accruals, compensable (CLS) sick leave exceeding 1,040 hours, modified sick plan (MSP) leave hours, and paid time off (PTO) hours, if any, supported by City business policies and procedures in effect at the time of my death and payable through the City of Houston payroll system. Pay does not include any payments, resulting from my participation in City-sponsored programs or plans, payable from external sources.

NAMING THE BENEFICIARY - It is important that your beneficiary designation be clear so that there will be no question as to your intent. It is also important that you name a primary and a contingent beneficiary. When naming your beneficiary(ies), please indicate their full name, date of birth, social security number, relationship, and if a minor, the age of that minor. If you need assistance, contact your human resources division or your legal counsel. This beneficiary designation form is effective the date on which Human Resources-Benefits receives it.

My Beneficiary Choices (pick one):

- Choice A: Single Participant (includes widowed or divorced)**
I am not married and designate the individual(s) named on this form to receive my Death Termination Pay. I understand if I marry, this designation is void the day of my marriage. My spouse will be the assumed beneficiary until I properly execute another Death Termination Pay Beneficiary Form.
Note: If changing your beneficiary due to a legal separation or divorce, you must attach a copy of the court decree.
- Choice B: Married with Spouse as Sole Beneficiary (spouse's signature is not required)**
I am married and designate my spouse named on this form to receive my Death Termination Pay.
- Choice C: Married with Spouse Not as Sole Primary Beneficiary**
I am married and designate the individual(s) named on this form to receive my Death Termination Pay.
If you are married and do not name your spouse as the Sole Primary Beneficiary, your spouse must sign the consent below. The signature must be witnessed by a Human Resources representative or Notary Public.

PRIMARY BENEFICIARY					
Name	Date of Birth	Social Security #	Relationship	Age (if minor)	% Payable
		- -			
		- -			
		- -			
		- -			
CONTINGENT BENEFICIARY					
Name	Date of Birth	Social Security #	Relationship	Age (if minor)	
		- -			
		- -			
		- -			
		- -			

The percentage(s) must total 100 percent. If percentage is not listed, the Death Termination Pay will be divided equally between or among the primary or contingent beneficiaries, as applicable.

Employee Signature _____	Contact Phone _____ Date _____
Spouse's Name (Print) _____	Print – Departmental HR Representative Employee ID _____
Spouse's Signature (must be witnessed by HR Representative or Notary Public) _____	Signature– Departmental HR Representative Date _____

Your signature must be notarized if this form is not signed in the presence of a City of Houston Human Resources representative.

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office this _____ day of _____ 20____ A.D.

(SEAL)

Notary Public – Signature