

MAINE STATE LEGISLATURE

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STATE OF MAINE

Inter-Departmental Memorandum Date February 5, 1976

To William Blodgett, Executive Sec'y Dept. Maine State Retirement System
From Donald G. Alexander, Assistant Dept. Attorney General
Subject Beneficiary designations under disability retirement programs

This is a response to your memorandum of January 12, 1976, asking two questions:

1. If a member drawing a disability retirement benefit wished to change the beneficiary designation during the period of disability prior to age 60, could he make the change? Yes. There are no restrictions in the statute on changes in designated beneficiaries under disability retirement. Further, under the practice of the Maine State Retirement System, there would appear to be no prejudice to the retiree or to the Maine State Retirement System by change of beneficiaries because the level of benefits to the disabled person is unaffected by the actuarial status of the designated beneficiary.

2. If the person drawing a disability benefit reached age 60 and was given a chance to retire under regular retirement and selected an option, could he designate a beneficiary different from that designated when he applied for a disability benefit? Yes. When a Maine State Retirement System member, whether on disability retirement or not, retires under regular retirement, that member has the option of designating a beneficiary who may receive further benefits after the retiree is deceased 5 M.R.S.A. § 1126-2. The actuarial status (projected longevity, etc.) of such a designated beneficiary affects the level of benefits paid to the retiree and thus involves a certain commitment both by the retiree and the Maine State Retirement System. For that reason, changes in this designated beneficiary once the option has been elected are not permitted. However, these same matters do not arise in dealing with beneficiaries designated by persons under disability retirement. Thus, there is no reason not to permit a person under disability retirement to change a designated beneficiary if that person should shift to regular retirement, nor is there any statute which suggests that such a change of beneficiary at the time of a shift to regular retirement could not occur.

DONALD G. ALEXANDER
Assistant Attorney General

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