

Important Beneficiary Tips

- 1) an insured cannot name their Employer as a beneficiary;
- 2) an insured cannot name themselves as a beneficiary;
- 3) the first name of the beneficiary should be completely spelled out — using only initials can cause confusion and a delay in payment of benefits;
- 4) the relationship between the employee and the beneficiary should be listed next to each name;
- 5) naming a contingent beneficiary keeps payment from being delayed for a court settlement in the event the primary beneficiary is also deceased.

More about naming a beneficiary —

Beneficiary designations should be as clear as possible, so there will be no question as to how the insured intended for the proceeds to be distributed in the event of their death. AICK requires a primary beneficiary be named; naming a contingent beneficiary is at the option of the employee.

- The primary beneficiary is the person(s) who will receive the death benefit on the insured's death. The contingent beneficiary will receive the death benefit **only** if the primary beneficiary is deceased.
- If there is more than one beneficiary and the proceeds are to be **divided equally**, each person must be named specifically on the appropriate line, whether it be as primary or contingent. (For example, if the proceeds are going equally to the spouse and each of their children, as each new baby is born, the employee must add that child by name to the beneficiary designation.)
- If there is more than one beneficiary and proceeds **are not intended to be divided equally**, a percent should be shown by each name spelling out the exact details of the division (i.e. 75% to Jane Doe, 25% to James Doe).
- If children are named as beneficiary, payment cannot be made to children under 18 years of age. Benefits to minor children must be paid to a court-appointed conservator or guardian.
- The employee is always the beneficiary of the basic dependent life benefit.
- A "Last Will and Testament" will not override the beneficiary named on an insured's enrollment form or change form. If an insured wants to distribute the proceeds of the insurance according to their will, they may want to consider stating "the Executors or Administrators of the Insured" or "the Estate of the Insured" in the beneficiary section and consult their estate professional for the appropriate wording.
- Employees with living trusts or estate planning vehicles should contact their legal or tax counsel to choose the beneficiary designation wording best suited to their needs.
- Charities or churches may be named as beneficiaries with the provision of their legal name and address.

The beneficiary may be changed at any time, in the absence of an irrevocable beneficiary or an absolute assignment. Samples follow of properly worded beneficiary designations:

Kathy L. Smith — wife

John A. Smith and Mary L. Smith — father and mother

The First Baptist Church, 1114 Adams, Topeka, KS 66611

Joe T. Smith — son, 40%, Karen L. Jones — daughter, 40%, Mary L. Smith — mother, 20%

PLEASE NOTE:

To change a beneficiary, you should complete, sign and date a new beneficiary designation form.

The change will not go into effect until received in our office.