



# Beneficiary Inheritance Guide

LA457

CREATE  
AND LIVE YOUR  
**BEST RETIREMENT**



CITY OF *Los Angeles*  
DEFERRED COMPENSATION PLAN



# The death of a loved one is difficult.

## We're here to help.

When you lose a friend or loved one there are often important matters to settle, including financial ones. If you're the beneficiary of a participant in the City of Los Angeles Deferred Compensation Plan (DCP), we're here to support you.

We can help you understand what's involved with creating a beneficiary account and making decisions around taking distributions.

### STEP ONE: REPORT THE DEATH

The first step is reporting the death of your loved one to the DCP administrator, Voya, at **844-523-2457**.

### STEP TWO: PROVIDE REQUIRED DOCUMENTATION

Voya will confirm the beneficiary designation on file. The beneficiary should be prepared to provide the following information:

- Certified copy of the death certificate
- Beneficiary Social Security number
- Copy of the beneficiary's driver's license for verification of the beneficiary's date of birth and address
- If the Beneficiary is an Irrevocable Trust, a copy of the trust and trust tax I.D.

If the beneficiary of a deceased participant is an estate, Voya requires the following documentation prior to processing the request:

- Certified copy of death certificate
- Notarized or court stamped Estate Affidavit, which lists the City of LA Deferred Compensation Plan as an asset and names the rightful heirs to the funds
- Certified document stating the Executor/Executrix of the estate
- IRS Form SS-4

Please submit documentation to Voya:

#### VIA REGULAR US MAIL

Voya  
Attn: City of LA Deferred  
Compensation Plan  
P.O. Box 389  
Hartford, CT 06141

#### VIA OVERNIGHT DELIVERY

Voya  
Attn: City of LA Deferred  
Compensation Plan  
One Orange Way  
Windsor, CT 06095

### STEP THREE: DECIDE WHEN AND HOW YOU WILL TAKE A DISTRIBUTION

Prior to taking any action consult with a tax advisor. Once the account has been established, you are eligible to initiate a distribution from the account. However, different distribution rules apply to (a) spousal beneficiaries, (b) non-spouse beneficiaries, or (c) non-person beneficiaries. Reference the table at right for specific details.

**NON-PERSON  
(TRUST, ESTATE,  
CHARITY)**

	<b>SPOUSE</b>	<b>NON-SPOUSE*</b>	
<b>Account Transfer</b>	Spouses can establish beneficiary accounts and remain in the DCP.	Non-spouses can establish beneficiary accounts and remain in the DCP.	Non-persons can establish beneficiary accounts and remain in the DCP.
<b>Required Minimum Distributions (RMDs)</b> Under Internal Revenue Code Section 401(a)(9) and the SECURE Act Section 401	<p>If the participant's death occurs on or prior to 12/31/19, spouse can defer commencement of distributions until the deceased participant would have attained age <b>70½</b>.</p> <p>If the participant's death occurs after 12/31/19, spouse may defer commencement of distributions until the deceased participant would have attained age <b>72</b>.</p> <p>Upon reaching the applicable required commencement of distribution date, Required Minimum Distributions (RMDs) are required over the spouse's life expectancy. RMDs must be taken by April 1 following the calendar year in which the deceased participant would have reached age <b>70½ or 72</b>. Subsequent distributions are required every year by December 31.</p>	<p>If the participant's death occurs on or prior to 12/31/21 and RMDs had previously begun, the RMDs must resume by December 31 of the year after death. The entire account must be distributed by December 31 of the year containing the 5th anniversary of the participant's death.</p> <p>If the participant's death occurs after 12/31/21, a non-spouse may defer the balance for up to ten years following the participant's death the entire account must be distributed by 12/31 of the year containing the 10th anniversary of the participant's death (excepting Special Rules for Eligible Designated Beneficiaries – see below).</p>	<p>A trust or estate may defer the balance for up to five years following the participant's death. The entire account must be distributed by December 31 of the year containing the 5th anniversary of the participant's death.</p>

**Special Rules for Eligible Designated Beneficiaries** (For participants passing away after 12/31/21)

An eligible designated beneficiary is defined as: (i) a surviving spouse of the employee, (ii) disabled or chronically ill individuals, (iii) individuals who are not more than 10 years younger than the employee, or (iv) a child under the age of majority. For individuals who meet this definition, they may take RMDs over their life expectancy following the death of the plan participant provided they continue to meet the criteria of an "eligible designated beneficiary."

A spouse beneficiary would have until end of the year in which the participant would have reached age 72 to begin receiving RMDs.

<b>Payment Options</b>	<p><b>Lump-sum or partial account distribution</b> (funds are withdrawn and tax is owed on the distribution amount).</p> <p><b>Installment payments</b> (establish recurring ongoing automatic payments and tax is owed on the distribution amount).</p> <p><b>Rollover</b> to an Individual Retirement Account (IRA) or other employer sponsored retirement plan that permits rollovers (funds are transferred from the DCP to another program or account; no tax is owed since the funds are not being distributed to the beneficiary).</p>	<p><b>Lump-sum or partial account distribution</b> (funds are withdrawn and tax is owed)</p> <p><b>Installment payments</b> (establish recurring ongoing automatic payments)</p> <p><b>Rollover</b> to an Individual Retirement Account (IRA) (this is not a taxable event)</p>	<p><b>Lump-sum or partial account distribution</b> (funds are withdrawn and tax is owed)</p> <p><b>Installment payments</b> (establish recurring ongoing automatic payments)</p> <p><b>No Rollover</b> option</p>
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## IMPORTANT

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### Trusts

Trust executors may need legal advice to determine if the beneficiary account will be established as non-spouse or non-person.

### Outstanding Loans

If a deceased participant has an outstanding loan at the time of death, the loan automatically defaults under the participant's Social Security Number as a taxable distribution. The participant will receive a 1099-R at the end of the year to be filed along with their taxes for the year it defaulted.

If you have any questions or need to obtain additional plan or account information, please go online at [LA457.com](http://LA457.com) or call the Service Center at 844-523-2457.

## CONTACT US

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844-523-2457



[LA457.com](http://LA457.com)



### Retirement Counselors

City Hall Service Center,  
200 N. Spring Street, Room 867,  
Los Angeles, CA 90012  
8:00 a.m. – 4:00 p.m., M – F  
213-978-1601

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