

Assessors' Retirement Fund
Refund of Employee Contributions
Maximum Benefit versus Option 1

If a Maximum Benefit is selected, then, if a retiree dies having received in total benefits an amount less than their accumulated employee contribution balance at retirement, the remaining accumulated employee contribution balance shall be paid to their named beneficiary at their death. This is not the same protection offered under option 1.

Option 1 benefits provide a refund of the remaining balance of a member's employee contributions if he dies before receiving in benefits purchased by his contributions the amount he had contributed to the fund before his retirement. In order to receive this optional form of benefits, a member's benefit is slightly reduced. The difference between this refund of contributions and the one described in R. S. 11:1445(A) is that instead of reducing the accumulated employee contribution balance by the entire benefit paid each month, the balance is only reduced for the portion of his benefit that was "purchased by his contributions". This means that the portion of the benefit that was paid for by employee contributions is calculated and the contribution balance at retirement is reduced by this amount each month. Therefore, option 1 will provide a lump sum to the named beneficiary even after the contribution balance has been depleted under the Maximum benefit.