FIELD AGENTS REPORT (www.kofcdavidkeeling.com)

One of the least thought about family issues a couple considers is the financial loophole caused by a loss of income when a wage-earner dies too soon and there are dependent children and/or a mortgage to worry about. Are you aware of what Social Security, STRS or PERS will provide you in this situation? Because out of every 100 workers starting their careers, 36 of them will not live to age 65! (REF: US GOV.)

Social Security provides: a one-time $255 death benefit on a qualified wage earner. Then pays a surviving spouse a monthly benefit, based on the age of the deceased worker and their income at the time of death, until the last child turns age 16 or disabled children to age 22. After that, the surviving spouse receives no compensation during this “blackout period” until the spouse turns age 60 and then can start receiving the deceased’s Social Security pension. (REF: 2013 Social Security benefits guide)

To qualify for California PERS survivor benefits: A worker must pay a $2 monthly fee. The basic death benefit is a lump-sum refund of the employee’s defined contributions only, plus 6% interest and a 1-month average salary of the deceased’s income for each year of service up to 6-months. The 1959 survivor benefit pays a monthly benefit for each surviving family member: for a spouse who is age 60 or older, or who has care of eligible children under age 22 and unmarried. The optional 1957 Survivor benefit provides ½ of the employee’s highest service retirement based on the age they died and the surviving spouse was married to them for at least 1-year. (REF: CALPERS website)

Under California STRS survivor benefits: If you were employed before 1992 and die before retirement, your survivors receive a $6,163 one-time death benefit. The surviving spouse receives 40% of what the employee earned before death and any children receive 10% each, every month until they reach age 22 or marry. When the last child becomes ineligible, then the surviving spouse has the options of; receiving the remaining defined benefit of the employee minus what was already paid in benefits, or receive a reduced allowance for spouse’s lifetime (at their then age) before reaching age 60, or waiting until age 60 to receive the spousal portion of the employee retiring benefit. (REF: CALSTRS website)

None of these programs will fully replace the lost monthly income of a deceased worker and in some instances will stop compensating the surviving spouse when; the last child reaches a certain age or marries or there are no children, until reaching age 60 or 62. If the worker has an employer group life insurance plan, will that amount be sufficient to pay off the mortgage & other debts owed, helping the children in college expenses and supplementing the spouses living up to and throughout retirement?

Knights Level Term Life Insurance is the affordable answer in covering this loophole every family could face at any time. Call me for answers about this and other needs. David Keeling, F.A. (909) 824-1024