

LANS
Defined Benefit Eligible
Survivor Income Program
Benefit Program Summary

Effective June 1, 2006

(Restated May 1, 2010)

This document restates The LANS Survivor Income Program to provide greater clarity regarding this benefit but does not in any way change the benefits originally available through the Program.

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This Booklet

This Booklet summarizes the LANS Defined Benefit Eligible Survivor Income Program (Program), which provides a Survivor Income Benefit and/or a Domestic Partner Preretirement Survivor Benefit for certain survivors of certain *members* of the LANS Defined Benefit Pension Plan (Pension Plan). Please note that the benefits described in this Booklet are not part of the Pension Plan.

Italicized terms used in this Summary are defined in the Pension Plan. Capitalized terms are defined in this Summary. See, in particular, the “Definitions Section,” which begins on page 6 of this Booklet.

Who is a Participant in this Program?

You are a Participant in this Program only if, when you die, you are not *retired* under the Pension Plan and you are described in paragraph 1, 2, or 3, below:

- **1. Long Service Member.** A Long Service Member is a *member* of the Pension Plan who, when he or she dies, satisfies one or both of the following requirements:
 - The Member is eligible to *retire* (at least age 50 with a 5 year *period of service*) under the Pension Plan, and/or
 - The Member is receiving benefits under the LANS Defined Benefit Eligible Disability Program
- **2. Short Service Member.** A Short Service Member is a *member* of the Pension Plan who, when he or she dies, satisfies both of the following requirements:
 - The Member is an *active member* of the Pension Plan who has completed at least a 2-year *period of service*, and
 - The Member is not a Long Service Member.
- **3. Terminated Vested Member.** Solely for purposes of the Domestic Partner Preretirement Survivor Benefit and not for purposes of the Survivor Income Benefit, a Participant also includes an *inactive member* who has completed at least a 5-year *period of service*, and who is not eligible to *retire* when he or she dies because he or she has not yet attained age 50.

Who Can Receive a Survivor Income Benefit?

Appendix A to this Summary outlines when Survivor Income Benefits may be payable to a Participant's Eligible Survivors.

A Survivor Income Benefit will be paid to only one "Category" of Eligible Survivors at any one time. These categories are listed in Appendix A.

Survivor Income Benefits end when there are no Eligible Survivors.

Please note that upon the death of a Long Service Member who is neither an *active member* of the Pension Plan nor receiving benefits under the LANS Defined Benefit Eligible Disability Program, the only individuals who can receive a Survivor Income Benefit are the individuals listed in Category I and Category II of Appendix A to this Summary.

No Survivor Income Benefit will be paid if the Participant had *retired* when the Participant died.

The names of all Eligible Survivors must be filed with the LANL Benefits Office within 12 full consecutive calendar months after the date of the Participant's death.

It is the responsibility of each Eligible Survivor (or the Eligible Survivor's guardian) to keep the LANL Benefits Office advised of any change of address and to affirmatively apply (or reapply) for Survivor Income Benefits, at the appropriate time(s). See Appendix A for more details regarding the appropriate time(s).

An Eligible Survivor must timely notify the LANL Benefits Office in the event that the Eligible Survivor no longer is eligible to receive a Survivor Income Benefit under this Program.

If an individual receives Survivor Income Benefits to which he or she is not entitled, the individual is responsible for repaying the excess amount.

Please note that no Survivor Income Benefit is payable to any survivors of an *inactive member* who dies before attaining age 50.

Who Can Receive a Domestic Partner Preretirement Survivor Benefit?

An Eligible Domestic Partner or a Surviving Domestic Partner who satisfies the same criteria that an Eligible Spouse or a Surviving Spouse would need to satisfy to receive a *Preretirement Survivor Benefit* under the Pension Plan is eligible to receive a Domestic Partner Preretirement Survivor Benefit under this Program.

No Domestic Partner Preretirement Survivor Benefit will be paid if the Participant had *retired* when the Participant died.

A Domestic Partner Preretirement Survivor Benefit will be paid only to the Participant's Domestic Partner (if any).

A Domestic Partner Preretirement Survivor Benefit will end when the Participant's Domestic Partner dies. See, however, Appendix A of this Summary for possible Survivor Income Benefits payable to Eligible Children and Eligible Dependent Parents.

A Participant's Eligible Domestic Partner or Surviving Domestic Partner (as the case may be) must file an initial claim for benefits under this Plan within 12 full consecutive calendar months after the date of the Participant's death.

It is the responsibility of the Eligible Domestic Partner or Surviving Domestic Partner, as the case may be, to keep the LANL Benefits Office advised of any change of address and to affirmatively apply for a Domestic Partner Preretirement Survivor Benefit.

If an individual receives Domestic Partner Preretirement Survivor Benefits to which he or she is not entitled, the individual is responsible for repaying the excess amount.

How Are Survivor Income Benefits Calculated?

Basic Survivor Income Benefit

If you are a Participant when you die, your Eligible Survivor(s)' monthly Survivor Income Benefit will be 25% of your monthly *full time equivalent compensation*. After the first three months of payments, the monthly benefit will be reduced by \$106.40 per month.

There is no minimum guaranteed Survivor Income Benefit.

If Participant's UCRP Benefit was NOT Coordinated with Social Security

If a Participant's former University of California Retirement Plan (UCRP) benefit was not coordinated with Social Security, and within 12 full consecutive calendar months after the date of the Participant's death, the Participant's Eligible Survivor can demonstrate that he or she is *not* entitled to a Social Security Survivors Insurance Benefit based on the Participant's employment history (as described in section 402(a) of Title 42 of the U.S. Code), then the Eligible Survivor will receive the monthly Survivor Income Benefit described in Table A below, instead of the Basic Benefit.

Number of Eligible Survivors At Time of Participant's Death	% of monthly <i>Full Time Equivalent Compensation as defined in the Pension Plan</i>
1 Survivor	25%
2 Survivors	35%
3 Survivors	40%
4 Survivors	45%
5 Survivors	50%

Offset

All Survivor Income Benefits under this Plan will be offset by any *Preretirement Survivor Benefit* that is then being paid from the Pension Plan based on the relevant Participant's employment history.

All Survivor Income Benefits under this Plan will be offset by any Domestic Partner Preretirement Survivor Benefit that is being paid from this Program based on the relevant Participant's employment history.

How Are Domestic Partner Preretirement Survivor Benefits Calculated?

The timing and amount of the Domestic Partner Preretirement Survivor Benefit is designed to be substantially equivalent to the timing and amount of the *Preretirement Survivor Benefit* under the Pension Plan that the Surviving Domestic Partner or Eligible Surviving Domestic Partner would have received if the Surviving Domestic Partner or Eligible Surviving Domestic Partner were a *spouse* within the meaning of the Pension Plan.

Cost of Living Adjustment (COLA)

After the first Eligible Survivor or Surviving Domestic Partner, as the case may be, has been receiving a Survivor Income Benefit and/or a Domestic Partner Preretirement Survivor Benefit for 12 full consecutive calendar months, the monthly benefit will be increased by 3% on the next following July 1. Thereafter, the benefit will be increased by 3% each July 1 until the benefit is no longer payable.

Benefit Calculation Examples:

Example 1: Eligible Spouse

When you die, you are a Long Service Member who has an Eligible Spouse who is age 60, your monthly *full time equivalent compensation* is \$3,000, you are eligible for the Basic Survivor Income Benefit, and the *Preretirement Survivor Benefit* provided to your *spouse* under the Pension Plan is \$500 per month.

Your Eligible Spouse's initial Survivor Income Benefit is calculated as follows:

Preliminary Survivor Income Benefit: 25% of \$3,000 = \$750 per month

Defined Benefit Offset: \$750 – \$500 *Preretirement Survivor Benefit* from the Pension Plan = \$250 Survivor Income Benefit paid from this Program

After 3 months the monthly Survivor Income Benefit is reduced by \$106.40 per month as follows:

\$250 – \$106.40 Social Security reduction =

\$143.60 Survivor Income Benefit paid monthly from this Program

Example 2: Eligible Domestic Partner

When you die, you are a Long Service Member who has an Eligible Domestic Partner who is age 60, your monthly *full time equivalent compensation* is \$3,000, you are eligible for the Basic Survivor Income Benefit, and there is no *Preretirement Survivor Benefit* payable to anyone under the Pension Plan because a *Preretirement Survivor Benefit* under the Pension Plan is payable only to a *spouse* within the meaning of federal law.

The Domestic Partner Preretirement Survivor Benefit payable under this Program to your Eligible Domestic Partner is \$500 per month.

Your Eligible Domestic Partner's initial Survivor Income Benefit is calculated as follows:

Preliminary Survivor Income Benefit: 25% of \$3,000 = \$750 per month

Defined Benefit Offset: \$750 – \$500 Domestic Partner Preretirement Survivor Benefit = \$250 Survivor Income Benefit paid from this Program

After 3 months the monthly Survivor Income Benefit is reduced by \$106.40 per month as follows:

\$250 – \$106.40 Social Security reduction =
\$143.60 Survivor Income Benefit paid monthly.

In addition, the \$500 Domestic Partner Preretirement Survivor Benefit will continue until the death of the Domestic Partner.

Definitions

Definitions for this Program may differ from those in other benefit programs.

Disabled

An Eligible Spouse, Eligible Domestic Partner or Eligible Child is Disabled within the meaning of this Program if he or she has incurred a medically determinable, physical or mental impairment that prevents him or her from engaging in “substantial gainful activity” on the basis of qualified medical opinion. The disability must be expected to continue for an extended and uncertain period of time.

For this purpose, “substantial gainful activity” means any type of gainful activity commensurate with age, education, skills or general background that could reasonably be expected to result in earnings in excess of the Social Security Administration’s annually published dollar amount to determine substantial gainful activity (in 2007, this amount was \$900 per month).

The LANL Benefits Office determines whether an individual is Disabled. The individual must cooperate with all reasonable requests for information.

For an Eligible Spouse or Eligible Domestic Partner, the disability must exist at the time of the Participant’s death. For an Eligible Child, the disability must be incurred while the child satisfies the age requirements in paragraphs (a) and (b) under the definition of Eligible Child (below).

Domestic Partner Preretirement Survivor Benefit

The Domestic Partner Preretirement Survivor Benefit is defined on page 4 of this Summary.

Eligible Child

An Eligible Child means the natural or adopted child or Stepchild of a deceased Participant or the natural or adopted child of a deceased Participant’s Surviving Domestic Partner or Eligible Domestic Partner. The child must have received at least 50 percent support from the Participant for the one-year period ending on the deceased Participant’s date of death. On the date of the Participant’s death, an Eligible Child must be under 18, under age 22 and attending an

educational institution full time, or Disabled (as defined above). Unless the child is Disabled, an Eligible Child will cease to be an Eligible Child when the child:

- a) Attains age 18, or
- b) Attains age 22 if the child is attending an educational institution full time.

The one-year support requirement does not apply to the Participant's natural child born within 10 months after the Participant's death or to the Participant's natural child born less than one-year before the Participant's death. A Stepchild, an Eligible Domestic Partner's child, or a Surviving Domestic Partner's child must have been living with or in the care of the Participant just before the Participant's death.

The name(s) of the Participant's Eligible Child(ren) must be filed with the LANL Benefits Office within 12 full consecutive calendar months after the date of the Participant's death.

Eligible Dependent Parent

A Participant's parent(s) will be considered Eligible Dependent Parent(s) if the parent(s) are the natural or adoptive mother or father of the Participant and received at least 50% support from the Participant for the one-year period ending on the Participant's date of death. The name(s) of the Participant's Eligible Dependent Parent(s) must be filed with the LANL Benefits Office within 12 full consecutive calendar months after the date of the Participant's death.

Eligible Domestic Partner

Eligible Domestic Partner means the domestic partner of a deceased Participant, as documented in the most current *LANS Declaration of Domestic Partnership*; provided, such partnership was in effect for at least the one-year period ending on the date of the Participant's date of death. The name of the Participant's Surviving Domestic Partner must be filed with the LANL Benefits Office within 12 full consecutive calendar months after the date of the Participant's death.

Eligible Spouse

Eligible Spouse means the spouse, within the meaning of Federal law, to whom a deceased Participant has been married for at least the one-year period ending on the Participant's date of death. The name of a Participant's Eligible Spouse must be filed with the LANL Benefits Office within 12 full consecutive calendar months after the date of the Participant's death.

Eligible Survivor

An Eligible Survivor means, at the time of the Participant's death, an Eligible Spouse, Eligible Domestic Partner, Eligible Child or Eligible Dependent Parent. In addition, the Participant's Surviving Spouse or Surviving Domestic Partner who cares for the Participant's Eligible Child is an Eligible Survivor as long as he or she continues to care for the Participant's Eligible Child and the child remains an Eligible Child. The names of all Eligible Survivors must be filed with the LANL Benefits Office within 12 full consecutive calendar months after the date of the Participant's death.

Offset

Offsets to the Survivor Income Benefits payable under this Plan are described on page 4 of this Summary.

Participant

A Participant is described on page 1 of this Summary.

Program Administrator

The Program is administered by the LANL Benefits Office. See the last page of this Summary for contact information.

Stepchild

Stepchild means the natural or adopted child of a Participant's Surviving Spouse, Eligible Spouse, Surviving Domestic Partner, or Eligible Domestic Partner.

Surviving Domestic Partner

Surviving Domestic Partner means the domestic partner of a deceased Participant, as documented in the most current *LANS Declaration of Domestic Partnership*. A Surviving Domestic Partner will not be an Eligible Domestic Partner unless such partnership was in effect for at least the one-year period ending on the date of the Participant's date of death. The name of the Participant's Surviving Domestic Partner must be filed with the LANL Benefits Office within 12 full consecutive calendar months after the date of the Participant's death.

Surviving Spouse

Surviving Spouse means the spouse, within the meaning of Federal law, to whom the Participant is married on his or her date of death. A Surviving Spouse is not an Eligible Spouse within the meaning of this Plan if the spouse was not married to the Participant for at least the one-year period ending on the Participant's date of death. The name of the Participant's Surviving Spouse must be filed with the LANL Benefits Office within 12 full consecutive calendar months after the date of the Participant's death.

Benefit Commencement Date/Benefit Termination Date

All benefits under this Plan commence as of the first day of the calendar month following the month in which the recipient becomes eligible for the benefit, but in no case earlier than the first of the month following the Participant's death. Benefits under this Plan stop as of the last day of the calendar month in which the recipient ceases to be eligible to receive the benefit.

Claim and Appeal Process for Survivor Income Benefits and Domestic Partner Preretirement Survivor Benefits

To qualify for benefits, individuals must comply with Program requirements. For information about filing claims and appeals under the Program, see the *LANS Health and Welfare Benefit Plan for Employees Summary Plan Description (SPD)*, Section 8, “Claims and Appeals Procedures.”

Claims Administrator for Survivor Income Benefits and Domestic Partner Preretirement Survivor Benefits

See the *LANS Health and Welfare Benefit Plan for Employees SPD*, Section 8, “Claims and Appeals Procedures” for information about the Claims Administrator for the Program.

Self-Funded Benefit

The Program is funded from LANS’ general assets. If an individual receives a benefit under this Program to which he or she is not entitled, the individual is responsible for repaying the excess amount. LANS reserves the right to offset overpayments against any future payments.

Preretirement Survivor Benefits under the Pension Plan

For information about *Preretirement Survivor Benefits* provided under the Pension Plan, see the *LANS Defined Benefit Pension Plan Summary Plan Description*.

Important Notes

While care has been taken to develop this Summary, it is not a guaranty. In particular:

- The terms and conditions of the Program may change at any time.
- LANS, by written document, reserves the right to terminate or amend this Program at any time.
- Your employment relationship may be voluntarily or involuntarily changed or terminated.
- The benefits ultimately payable to your survivors will be determined according to the rules of the applicable LANS benefit program and applicable law.
- Your participation in the Program does not create any contractual or other rights to receive any benefits, nor does your participation or projections of benefit growth constitute a condition or right of future employment.
- Some special situations are not reflected in this Summary.

This is a summary of benefits. For additional information, please contact:

LANL Benefits Office
P.O. Box 1663/Mail Stop P280
Los Alamos, NM 87545
(505) 667-1806 (telephone)

APPENDIX A
Potential Recipients of Survivor Income Benefits¹

CATEGORY: Benefit goes to Eligible Recipient in Highest Priority Category	START	STOP
<p><u>Priority Category I:</u></p> <p>Disabled Eligible Spouse, Disabled Eligible Domestic Partner, Eligible Spouse Age 60 +² when Member died, Eligible Domestic Partner Age 60+ when Member died, or a Surviving Domestic Partner or Surviving Spouse who is caring for an Eligible Child.</p> <p>(Only 1 person from Category I or Category II, as the case may be, can receive a Benefit)</p>	<p>Start 1st of month following month in which Member dies.</p>	<p>Stop on earlier of end of month (i) recipient dies or (ii) when Offset is larger than Survivor Income Benefit. Benefit to Surviving Domestic Partner or Surviving Spouse stops on earlier of end of month (i) when there is no Eligible Child (e.g., Eligible Child attains age 18 and is not in school) or (ii) when Surviving Domestic Partner or Surviving Spouse stops caring for the Participant's child. <i>See Category II</i></p>
<p><u>Priority Category II:</u></p> <p>Eligible Spouse or Eligible Domestic Partner who does not fit in Category I.</p> <p>(Only 1 person from Category I or Category II, as the case may be, can receive a Benefit)</p>	<p>Start 1st of month following month in which recipient attains age 60.</p>	<p>Stop on earlier of end of month (i) recipient dies or (ii) when Offset is larger than Survivor Income Benefit. <i>See Category III</i></p>
<p><u>Priority Category III:</u>³</p> <p>Eligible Children (share and share alike).</p>	<p>Start 1st of month after nobody in Category I or Category II is eligible to start.</p> <p>Benefit could start, stop and start again as indicated in Example on next page.</p>	<p>Stop on earliest of end of month (i) recipient in Category II is eligible to start, (ii) Eligible Children cease to be eligible (e.g., attain age 22), or (iii) date Offset is larger than Survivor Income Benefit. <i>See Category IV</i></p>
<p><u>Priority Category IV:</u>⁴</p> <p>Eligible Dependent Parents (share and share alike).</p>	<p>Start 1st of month after nobody in Category I, Category II, or Category III is eligible to start. Benefit could start/stop again if no Eligible Child and if Category II recipient isn't yet ready to start.</p>	<p>Stop on earliest of end of month (i) recipient in Category II is eligible to start, (ii) no Eligible Dependent Parent is living, or (iii) Offset is larger than Survivor Income Benefit.</p>

¹ This Chart does not apply to the Domestic Partner Preretirement Survivor Benefit. As described on page 3 of this Summary, only a Domestic Partner can receive a Domestic Partner Preretirement Survivor Benefit.

² Throughout this Chart, age 60 is replaced by age 50 if (a) the Eligible Spouse and the Participant were married before October 19, 1973 and (b) the Participant had met the eligibility requirements for preretirement survivor income under the University of California Retirement Plan ("UCRP") by that date.

³ No Category III or Category IV benefits are payable if, when a Long Service Member dies, he or she is NOT an *active member* of the Pension Plan and he or she is NOT receiving benefits under the LANS Defined Benefit Eligible Disability Program.

⁴ See preceding footnote.

EXAMPLE: A Short Service Member dies on March 15, 2008. When the Member dies, his Eligible Spouse is age 50 and his Eligible Child is age 10. The Eligible Child attends college until the child attains age 26. The Eligible Child attains age 22 on February 10, 2020. The Eligible Child is not Disabled. The Eligible Spouse dies on April 10, 2019, at age 61. The Eligible Spouse is not Disabled. There is one Eligible Dependent Parent who dies on December 18, 2022.

In this Example, Survivor Income Recipients Would Be As Follows:

Effective April 1, 2008 (the first of the month after the Participant's death), the Eligible Spouse would receive the Survivor Income Benefit. Even though the Eligible Spouse is not Disabled at that time and the Eligible Spouse has not attained age 60 at that time, the Eligible Spouse (who also qualifies as a Surviving Spouse) is taking care of an Eligible Child.

In 2018, when the Eligible Spouse attains age 60, the Survivor Income Benefit technically would be paid to the Eligible Spouse because of his or her status as an Eligible Spouse.

On May 1, 2019 (the first of the month following the Eligible Spouse's death), the Survivor Income Benefit again would be paid to the Eligible Child. Since the Eligible Child would be 21 years old, there might not be a legal guardian involved.

February of 2020 (the month in which the Eligible Child attains age 22) is the last month for which the Eligible Child would receive a Survivor Income Benefit. Effective March 1, 2020, the Survivor Income Benefit would, instead, be paid to the Eligible Dependent Parent. The last payment to the Eligible Dependent Parent would be for the month of December 2022 (the month in which the Eligible Dependent Parent dies).