Deciding on Medicare generally is zero if a retiree has both deductibles and co-pays. The secondary payer, and pays for the amount of the deductible, and the probability that you will need extensive medical care in your remaining lifetime. One consideration when deciding whom to designate as beneficiary is the person’s age. Minors cannot legally manage their own money. A life insurance company cannot pay the proceeds of a policy to a minor. However, the policy owner can name a guardian for the minor and the insurance company can pay the proceeds of a life insurance policy to the minor’s guardian, for the benefit of the minor.

A policy owner may choose to make the “estate of the insured” or the “insured’s living trust” the beneficiary. If so, the life insurance company must receive a copy of the living trust prior to paying benefits. In addition, the executor of the estate or a trustee of the trust must complete all the forms for requesting the proceeds.

A “will” also is an important part of securing the financial future of family members, and it plays a critical role in helping them after the death of the insured. Listing life insurance policies in a will can help family members know that the coverage exists. However, life insurance proceeds will be paid to the beneficiary designated in the life insurance policy, regardless of what is stated in the will. That is why it is so important to specifically designate a beneficiary on life insurance policies.

Choosing a beneficiary for a life insurance policy can be challenging, and no one can tell the applicant whom to name. In addition, the applicant is not limited to having only one beneficiary. The “primary beneficiary” (or beneficiaries) of a life insurance policy is the first person (or persons) who will receive the benefits upon the death of the insured. More than one person may be named as primary beneficiary. A “contingent beneficiary” (or beneficiaries) will receive benefits only if the primary beneficiary predeceases the insured. This beneficiary is often called a secondary beneficiary. As with the primary beneficiary, more than one person may be designated as contingent beneficiary.

In a case where there are multiple beneficiaries on a life insurance policy, the proceeds generally are divided equally among all beneficiaries. However, the applicant or policy owner, prior to the death of the insured, may designate a specific percentage or amount to be given to each beneficiary.

A beneficiary may be “revocable” or “irrevocable.” Naming a beneficiary as revocable means that the policy owner has the right to change the beneficiary at any time (prior to the insured’s death). If a beneficiary has been named as an irrevocable beneficiary, the policy owner may change the beneficiary only with the consent of the original beneficiary.

To update a beneficiary on a U.S. Letter Carriers Mutual Benefit Association life insurance policy, please contact the MBA home office for a Beneficiary Designation form or you may also go to nalc.org/mba. Go to “MBA Brochures, Applications and Forms.” Under “Forms,” go to “Life Insurance & General Information.” Click on “Designation of Beneficiary form.” Complete the form and send it to the MBA home office.