




Approved by: Juan Williams, Commissioner	Policy Number: 12-033 (Rev. 09/02/2022)
Signature: 	Supersedes: 11-046, 93-022, 12-033
Application: Executive Branch Agencies and Employees, Human Resource Officers, Payroll Officers	Effective Date: June 1, 2015
Authority: T.C.A. § 4-3-1703, T.C.A. § 8-30-104, T.C.A. § 8-50-808	Rule: Chapter 1120-06

Death Benefits Payments

The payment of annual, sick, and compensatory leave balances for deceased employees will be made in lump sums. Deceased employees should be separated from the payroll and Human Resources systems. Deceased employees should not be placed on terminal leave, allowing leave balances to run out. Agencies should submit a supplemental for lump sum payments through the Department of Human Resources. Checks and warrants for these payments will be released to the agencies for distribution.

The deceased employee's file should be reviewed to determine the identity of the designated beneficiary as provided by Tenn. Code Ann. § 8-50-808. If there is no designated beneficiary, the payment of accrued annual, sick, and compensatory leave will be paid to the employee's estate.

Employee Benefits

A deceased employee's beneficiaries or estate will be paid for holidays and longevity (if eligible) as if the deceased employee's annual and compensatory leave had been allowed to run out as terminal leave. The deceased employee will also receive service credit for this time. Retirement credit will be granted for the sick leave balance accrued prior to death if the surviving beneficiary is due a benefit. Insurance coverage for the surviving eligible dependents of an employee who dies while under a state health insurance plan will continue in effect for six (6) months at no cost to the dependents or to agencies. At the end of the six (6) month period, the dependents will automatically receive notification of eligibility to be insured through COBRA. Deceased employees will not accrue additional leave after the time of death.

Wages

A deceased employee's wages, earned through the time of death, should be processed on payroll as regular wages paid to the employee. Tenn. Code Ann. § 30-2-103 authorizes the payment of up to \$10,000 in wages to an employee's designated beneficiary, or in the absence of such designation, to a surviving spouse, or to any surviving children, or as designated by the court. The \$10,000 payment should be paid if funds are available from the wages earned through the time of death. This payment cannot be made from accumulated leave balances. Calculations should be made to determine if the payment can be made.

Questions regarding this policy may be directed to the Agency Resource Center (ARC).