



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation (MS-600)
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DWC Claim #
Carrier Claim #

APPLICATION FOR DIVISION APPROVAL OF CHANGE
IN PAYMENT PERIOD AND/OR PURCHASE OF AN ANNUITY FOR DEATH BENEFITS

1. Employee's Name 2. Date of Injury 3. Employer's Business Name
4. Insurance Carrier's Name 5. Beneficiary's Name

All applications for Division approval of a change in the payment period for death benefits are subject to the Texas Workers' Compensation Act, Texas Labor Code, §408.181 through 408.184 and Rules 132.1 through 132.12 and 132.15 through 132.16.

CHECK ALL BOXES THAT APPLY:

- We request the Division to approve a change in the payment period from weekly to monthly for death benefits. The weekly compensation rate must be multiplied by 4.34821. Proposed Monthly Benefit \$ \_\_\_\_\_. Payment of monthly death benefits must be issued on or before the seventh day of the month for which benefits are due.
□ The carrier will purchase an annuity to pay death benefits. The carrier will ensure that the payments comply with the requirements set forth in Rule 132.16, Change in Payment Periods; Purchase of Annuity for Death Benefits. (See reverse side.) Payment of death benefits must be initiated no later than the 45th day after the date on which the application is approved by the Division. Payments will be made by:

Payor's Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

- 1) The workers' compensation carrier will remain ultimately liable for payment of the benefits.
2) A separate application to change the frequency of payments must be submitted for each eligible beneficiary. A payment adjustment must be made when there is a change in an individual beneficiary's eligibility status in accordance with the provisions of the Texas Workers' Compensation Act.
3) A completed Employer's Wage Statement (DWC Form-003) must be filed with this application if less than the maximum weekly death benefit in effect at the time of death is being paid.

DIVISION APPROVAL:
Authorized DWC Employee's Signature \_\_\_\_\_ Date \_\_\_\_\_

X
Signature of Representative of Beneficiary (if any)
Printed Name of Representative of Beneficiary

X
Signature of Beneficiary
I have read this application or have had it read to me by someone of my choice, and I understand and agree to its terms.

X
Signature of Carrier Representative
Printed Name of Carrier Representative
Telephone Number of Carrier Representative

APPROVAL NOTICES WILL BE MAILED TO TYPED OR LEGIBLY PRINTED ADDRESSES BELOW (ALL BLANKS MUST BE COMPLETED)

Representative of Beneficiary (if Any)
Mailing Address
City, State, Zip

Beneficiary
Mailing Address
City, State, Zip

Insurance Carrier
Mailing Address
City, State, Zip

SEE REVERSE SIDE



**INFORMATION SHEET**  
**DWC FORM-31, Application for Division Approval of Change in Payment Period**  
**and/or Purchase of an Annuity for Death Benefits**

Upon the request of an eligible beneficiary entitled to death benefits, the insurance carrier and eligible beneficiary may agree to change the frequency of death benefits payments from the standard weekly period to a monthly period. The Division must approve the application to change the frequency of death benefits payments.

**Monthly Payment of Death Benefits by Insurance Carrier**

The following are requirements in rule 132.16 for a written agreement that the workers' compensation insurance carrier will issue monthly payments of death benefits:

- a. the agreement for the monthly payment will be effective the first calendar day of the month following the month in which the written agreement was approved by the Division;
- b. payment of monthly death benefits shall be issued on or before the seventh day of the month for which benefits are due;
- c. weekly death benefits payments must continue through the end of the month in which the agreement was approved;
- d. payment of the last week of death benefits to transition from weekly payment of death benefits to monthly payments shall be prorated to the end of the month to ensure the eligible beneficiaries receive death benefits through the last day of the month; and
- e. the monthly compensation rate must be calculated by multiplying the weekly rate by 4.34821.

With the exception of payments made by annuity under Rule 132.16(d), at any time after signing the agreement for the monthly payment of death benefits, the eligible beneficiary or insurance carrier may notify the other party in writing that it no longer agrees to the monthly payment of death benefits. The last monthly payment shall be prorated to ensure the insurance carrier pays the appropriate amount of death benefits. In this case, the insurance carrier shall pay all accrued but unpaid death benefits at the end of the current monthly cycle to ensure the insurance carrier pays the appropriate amounts of death benefits weekly as and when they accrue and are due.

**Payment of Death Benefits by Annuity**

An eligible beneficiary entitled to death benefits and the insurance carrier may enter into a written agreement for the purchase of an annuity to pay death benefits. All applications must be submitted to the Division for approval. If less than the maximum weekly death benefit in effect at the date of death is being paid, a completed Employer's Wage Statement must be filed with the application. An annuity for the payment of death benefits shall meet the following terms and conditions:

- (1) Monthly death benefit payments shall be initiated no later than the 45<sup>th</sup> day after the date on which the written agreement was approved by the Division.
- (2) The company providing an annuity for the payment of death benefits must be licensed to do business in Texas and must have a current A. M. Best rating of B+ or better or have a Standard & Poor's rating of claims paying ability of A or better.
- (3) The workers' compensation insurance carrier must guarantee the payments provided by the annuity company in the event of default.
- (4) When benefits are paid to an eligible spouse of the deceased employee and the spouse subsequently remarries, the annuity contract must address the payment of a lump sum payment equal to 104 weeks of benefits to the eligible spouse and the redistribution of benefits at the end of 104 weeks to the remaining eligible beneficiaries, if any.
- (5) If all beneficiaries become ineligible to receive death benefits and an amount equal to 364 weeks of death benefits has not been paid, the remaining benefits shall be paid by the annuity company without an order from the Division to the Subsequent Injury Fund not later than 30 days after all beneficiaries' eligibility ends.
- (6) A beneficiary, or the beneficiary's guardian if applicable, shall not be allowed to assign the right to receive death benefits from an annuity. All death benefits must be paid to the order of the eligible beneficiary or the legal guardian, if applicable.
- (7) The annuity company shall pay death benefits either weekly or monthly as elected by the beneficiary in the application for payment of death benefits by annuity.
- (8) If monthly payments are elected by the beneficiary, the transition from weekly to monthly benefits paid by annuity shall be the same as that for death benefits paid by the responsible insurance carrier set out in subsection (a) of Rule 132.16.

**NOTE:** With few exceptions, upon your request, you are entitled to be informed about the information TDI-DWC collects about you; get and review the information (Government Code, §§552.021 and 552.023); and have TDI-DWC correct information that is incorrect (Government Code, §559.004). For more information, contact [agencycounsel@tdi.texas.gov](mailto:agencycounsel@tdi.texas.gov) or you may refer to the [Corrections Procedure](#) section at [www.tdi.texas.gov](http://www.tdi.texas.gov).

**SCHEDULE OF BENEFITS**

CLAIM NUMBER \_\_\_\_\_

Annuitant: \_\_\_\_\_

Relationship to Employee: \_\_\_\_\_

Date of Issue: \_\_\_\_\_

Date Payments Begin: \_\_\_\_\_ Payment Period: \_\_\_\_\_

Schedule of Benefits:

Submitted By:

\_\_\_\_\_

Date Submitted:

\_\_\_\_\_



## Instructions for Schedule of Benefits

The insurance carrier must ensure the annuity purchased includes the language necessary for the benefits to be paid to the beneficiary in accordance with the Texas Workers' Compensation Act. The following are examples of required wording to be used in the annuity and the schedule of benefits for each type of beneficiary.

### WORDING REQUIRED FOR SCHEDULE OF BENEFITS ON ANNUITIES

**Spouse (sole eligible beneficiary of employee)** - (\$ amount of payment) payable (weekly or monthly) beginning (date payments to begin) for life, or until remarriage. In the event of remarriage, payment will cease and an undiscounted lump sum equivalent to 104 weeks of the spouse's benefits will be paid directly to the spouse.

**Child (employee's spouse divorced, deceased or remarried)** - (\$ amount of payment) payable (weekly or monthly) until age 18, or to age 25 if enrolled as a full time student in an accredited educational institution after age 18. If not enrolled as a full time student after age 18, payments cease on (date of 18<sup>th</sup> birthday) and revert to other eligible beneficiaries, if any.

**Spouse and Child(ren)** - (Name of spouse) will be paid the sum of (50% of total amount of death benefit) per (week or month) beginning (beginning date of payments) through (date of last eligible child's 18<sup>th</sup> or 25<sup>th</sup> birthday). Then payment to the spouse increases to (full amount of payment) per (week or month) beginning (next payment date after child's eligibility expires) for remainder of the spouse's life or until remarriage.

If (name of spouse) remarries, (she/he) is entitled to an undiscounted lump sum payment equivalent to 104 weeks of the benefits for which eligibility exists on the date of remarriage. If (name of spouse) remarries prior to (date of last eligible child's 18<sup>th</sup> or 25<sup>th</sup> birthday), the spouse's benefits will be redistributed to the remaining eligible beneficiaries after 104 weeks from the date of remarriage has lapsed. If (name of spouse) dies prior to (date of last eligible child's 18<sup>th</sup> or 25<sup>th</sup> birthday), the spouse's benefits will be redistributed to the remaining eligible beneficiaries.

**Other Beneficiary Payment Scenarios** - In the event the insurance carrier and eligible beneficiaries other than a spouse and/or children seek Division approval to change the payment period and/or purchase an annuity for payment of death benefits, language included in the Schedule of Benefits on DWC FORM-31 must track the provisions of the Texas Workers' Compensation Act and rules regarding expiration of eligibility status.

#### **General statement to be included with each Schedule of Benefits:**

If all beneficiaries become ineligible before an amount equal to 364 weeks of payments has been paid, the remainder of the amount shall be paid in a lump sum to the Subsequent Injury Fund not later than 30 days after all beneficiaries' eligibility ends.