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Separation due to Death [1]

Review the procedure and policy for termination due to death.

In the unfortunate event of an employee death, this transaction separates the deceased from CU. Enter the effective date of termination as the day after the employee's date of death.

Step-by-Step: Terminating an Employee [2]

Step-by-Step: Approving transactions [3]

CU Policy and Procedure

Notifying Employee Services

When an employee dies (or retiree, if known), the deceased's current/former campus department, family member(s) or legal representative(s) should immediately contact Employee Services. Immediate notification is essential to avoid incorrect payments and tax-reporting problems.

Family member(s) or legal representative(s) must provide Employee Services three items as soon as possible:

- a copy of the notarized death certificate
- legal documentation with the name and address of the executor of the estate
- W-9

All applicable insurance information must be completed by the appropriate legal representative. Employee Services benefit counselors will help the department, family or legal representative(s) with these insurance forms.

Pay and Tax Information

The university will pay any earnings owed to the deceased—including a payout of eligible leave hours (up to the employee's maximum payout balances)—to his/her estate. This amount MUST NOT be reported on the employee's W-2; IRS guidelines prohibit any final payments made through payroll in the name of the deceased employee. Should payment be made to a deceased employee after the date of death (because of lack of timely notification), Employee Services must recover the payment and reissue it, per IRS guidelines.

Departments must confirm and forward the final pay information to Employee Services via handdrawn warrant request [4], including leave payout hours and any adjustments to final pay. If time permits, Employee Services will intercept any pay generated but not yet received by

the deceased employee so it can be reissued correctly to the estate. Any payment that cannot be intercepted must be recovered as an overpayment from the estate so it can be credited to the employee's W-2 and reissued correctly to the estate.

Employee Services will confirm termination of the employee in the HCM to prevent an overpayment, and will process final payment after receiving all completed paperwork from the campus department and family, or legal representative(s).

Employee Services also will also liaison with insurance carriers (if applicable), maintain tax compliance and report final payments to appropriate federal and state regulatory agencies.

Groups audience:
HCM Community
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Source URL:https://www.cu.edu/hcm-community/death

Links
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