**Section 1650.250 Death Benefits**

a) When two or more beneficiaries are eligible for a survivor benefit and only one qualifies for a periodic payment, the System shall not split the benefit payments so that one person receives a lump sum payment and the other receives an annuity. The beneficiaries shall be paid either the lump sum benefit, or the dependent beneficiary may receive an annuity, provided the non-dependent beneficiary disclaims a lump sum benefit.

b) The phrase "providing for the support of the deceased member's eligible child", as provided in Section 16-141(b)(2) of the Act means providing that support necessary so that the surviving spouse may claim the child as a dependent for federal income tax purposes.

c) The phrase "substantial gainful activity", as provided in Section 16-140(4) of the Act, means the performance of significant duties over a reasonable period of time while working for pay or profit. Full-time work or part-time work done at the employer's convenience in a competitive work situation for at least the minimum wage conclusively shows that the person is able to engage in substantial gainful activity. Certain work offered at qualified locations to physically or mentally impaired persons is considered sheltered employment. The fact that an impaired person has accepted sheltered employment is not proof of the person's ability to engage in substantial gainful activity.

(Source: Amended at 32 Ill. Reg. 13534, effective August 6, 2008)