

Getting Started with Beneficiary Designations

Assigning beneficiaries is an important task to ensure that, upon your death, your benefits are paid to those you designate to receive them. Using Fidelity NetBenefits® (www.netbenefits.com/aa), you will be able to designate or update your beneficiaries for all your eligible plans, submit the information for processing, and receive an online confirmation of your elections.

Designating your beneficiary(ies) using NetBenefits is simple. First, you'll enter information to help us identify and make payments to your beneficiaries. Next, you'll assign percentages of your benefits to each named beneficiary.

If you have previously assigned beneficiaries, you can review your designations to make sure they are still accurate and up-to-date. This is especially important if you have experienced a major life event, such as marriage, divorce, the birth of a child, or adoption, among others.

By using this service in NetBenefits, you are agreeing to make your beneficiary designation electronically. You also have the right to make this designation using a paper form.

What is a beneficiary?

A beneficiary is an individual, a trust, your estate, or an organization eligible to receive benefits upon your death.

Who can I name as a beneficiary?

Generally, you can name a person, a trust, your estate, or an organization as a beneficiary. This is dependent on plan rules so be sure to check your Summary Plan Description for more information.

Can a minor be a beneficiary?

Yes, however, at the time of your death if any of the named beneficiaries is a minor, a legal guardian must be appointed by the court to hold and manage the money until the beneficiary reaches the age of majority (typically age 18 or 21, depending on state law). For specific legal implications regarding beneficiary designations, contact your legal advisor. Your right to designate a beneficiary is subject to applicable state law.

What is the difference between a primary and contingent beneficiary?

You select a primary beneficiary to receive a specified share of your account in the event of your death. A contingent, or secondary, beneficiary is an alternate beneficiary that receives the specified share of your benefit in the event that none of your primary beneficiaries survive you.

Do I have to name a contingent beneficiary?

You don't have to specify a contingent beneficiary, but naming both primary and contingent beneficiaries will help ensure that your benefits pass to the beneficiary(ies) that you want them to go to.

Can I use fractions or decimals when assigning beneficiaries?

You may use up to two decimals to assign percentages (e.g., 33.34%). Remember though, that the total must add up to 100%.

Do all my plans have to have the same beneficiaries?

No. You may name different beneficiaries for each eligible plan or benefit. Some might even have rules that restrict who you may choose as a beneficiary.

What happens to the benefits in my plan(s) if I do not designate any beneficiaries?

If no primary beneficiary survives you and no contingent beneficiary is named, the Plan provisions provide that the full value of your account will be paid to your spouse (if any), otherwise to your children (if any), and then to your estate.

What happens if one of my primary beneficiaries does not survive me?

If a primary beneficiary doesn't survive you, their share will be allocated proportionally among the remaining primary beneficiaries according to the rules of the plan. If no primary beneficiaries survive you, payment will be made to the contingent beneficiary(ies) you designate.

How often can I update my beneficiaries?

In most cases you may update your beneficiaries as often as you like. You should periodically review your beneficiary designations to ensure they are accurate and adequately reflect your current situation.

Are forms available to submit my beneficiary designations by mail?

You may use a paper form to designate your beneficiaries. You can obtain a paper form on NetBenefits under Plan Information and Documents > Forms > Beneficiary form or by calling the American Airlines 401(k) Service Center at Fidelity at (800) 354-3412. Follow the instructions on the form and mail it to the address indicated. Generally, your beneficiary designations will be displayed on NetBenefits after the form is received in good order and processed by Fidelity.

Do I need to provide a Social Security Number (SSN) for each of my beneficiaries?

You can submit a beneficiary without a Social Security Number (SSN), but including the SSN (or Tax ID for a trust or organization) will help facilitate timely distribution of your benefits. Providing an SSN will help your plan administrator identify and locate your beneficiaries, to ensure they get the benefits you leave to them.

What is a trust?

A trust, used as a beneficiary, is a legal arrangement in which an Individual gives fiduciary control of property (either real or personal) to a person or institution for the benefit of the trust's beneficiaries.

Can I designate a testamentary trust?

Yes. A trust that arises upon death is known as a testamentary trust. A testamentary trust is established through the will of the participant. When designating a testamentary trust, the only required information is the name of the trust. All other fields are optional and can be left blank. You can simply designate by entering the trust name. Examples: "The John Doe Testamentary Trust," or "Trust under the will of John Doe."

What if my trust has more than one trustee?

If your trust has more than one trustee, you can provide the name and address of one of the trustees. This information will be used to contact the trustee in the event of your death.

What is an organization?

A charity, educational institution, association, or other group qualified to receive benefits upon your death.

Why are we asking for a Tax ID Number?

Providing a Tax Identification Number (TIN) helps your plan administrator identify and locate your beneficiaries, to ensure they get the benefits you leave to them.

What if I don't have a Tax ID for my trust or organization?

You may have a Tax Identification Number for the trust, established when the trust was set up. The Tax ID Number is a nine-digit number generally starting with a 9. Its format is XX-XXXXXXX. This number will only be used upon your death in order to generate the correct tax forms. If your trust does not currently have a Tax Identification Number, enter 55-5442323 into the online form. Upon your death, your trustee will need to provide a Tax Identification Number for your trust.

What if I don't have an Established Date for my trust?

If this is a testamentary trust, you will not have a date of first establishment. You may leave this field blank.

Can I change my Beneficiary after I retire?

This depends on the type of plan, and whether you have commenced benefit payments. Contact the American Airlines 401(k) Service Center at Fidelity for plan-specific information.

What is an Absolute Assignment?

Absolute assignment gives control of and rights in an insurance policy to a third party. If you have transferred ownership rights by Absolute Assignment, you can't change the beneficiary designation after the assignment has been executed. **NOTE:** If you make changes to your beneficiary designations they will not apply to insurance benefits that have been assigned. If you have made an Absolute Assignment on one or more of your insurance benefits, it will not impact your ability to change beneficiary designations for other eligible plans.

Why can't I update my beneficiaries?

Plan provisions may not allow you to change your beneficiary designation. Please contact the American Airlines 401(k) Service Center at Fidelity for more information.

Marital Status and Spousal Consent

For some retirement savings and pension plans, Federal law requires that a married person's primary beneficiary be his or her spouse. If you are married and you do not designate your spouse as the primary beneficiary of your account, your spouse must sign the Spousal Consent Form in the presence of a notary public. It must then be mailed to Fidelity at the address indicated on the form for the designation to be effective.

If you designate someone other than your spouse as a primary beneficiary without spousal consent, the designation will not be valid. In addition, if you do not return the Spousal Consent Form to Fidelity at the address indicated on the form, the designation will not be valid.

How does marital status affect my benefits?

For certain retirement savings and pension plans, Federal law dictates that, if you are married, your spouse is automatically your beneficiary. A Spousal Consent Form is required if you are married and you wish to designate someone other than your spouse as a primary beneficiary. For the purposes of the beneficiary designation, you are considered married if you are legally married under applicable state law.

What happens if my marital status changes?

A marital status change can have a significant impact on your benefits and on your beneficiary planning. For certain retirement savings and pension plans, federal law dictates that if you are married, your spouse is automatically your beneficiary. If you are not married, you may designate any individual, trust, estate, or organization based on your plan guidelines. If you were married since your last designation, your beneficiary designation displayed on NetBenefits may not be valid. You should review your beneficiary designations and update them as necessary to ensure they adequately reflect your current situation. Updating your marital status here will only apply to your beneficiary information.

What is spousal consent?

Spousal consent is required when a married person designates somebody other than his or her spouse as a beneficiary for certain retirement savings and pension plans. If you need to provide spousal consent to make your designation valid, NetBenefits will provide a link to the necessary form, which allows your spouse to acknowledge and consent to the beneficiaries you have chosen. This form must be signed by your spouse and witnessed by a notary public. Without notarized spousal consent, a non-spousal designation is invalid.

What is a notary public?

A notary public is a person licensed by the state to be legal witness to the validity of a signature on a document. A notary public can be found in a local bank or financial institution and may charge a small fee for their services.

What happens when I send in the form?

Your beneficiary designations will be valid when the completed form is received by Fidelity. The form will be processed and the pending status will be removed within 5–10 days of receipt of the form.

What does "Pending Spousal Consent" mean?

"Pending Spousal Consent" is a status provided on the Beneficiary Summary page indicating a Spousal Consent Form is required to make the beneficiary designation valid. Once the completed Spousal Consent Form is received in good order and processed by Fidelity Investments, this status will be removed and your designations become valid immediately.

Can I print my Spousal Consent Form later?

Yes. The next time you return to the Beneficiary Summary screen, click View Your Spousal Consent Form in the box in the upper right-hand corner of the screen. When the Spousal Consent Form appears, click Print this Page in the upper right-hand corner. Your designation will not become valid until the Spousal Consent Form is returned in good order.

What happens if I make changes to my primary beneficiary?

If you make changes to your beneficiaries, and for any reason your spouse is not named as the 100% primary beneficiary, you will need to have your spouse sign a new Spousal Consent Form.