

SENATE BILL 913

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7lr1434
CF HB 1122

By: **Senator Guzzone (Chair, Joint Committee on Pensions)**

Introduced and read first time: February 3, 2017

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 17, 2017

CHAPTER _____

1 AN ACT concerning

2 **State Retirement and Pension System – Death Benefits**

3 FOR the purpose of allowing a certain surviving dependent parent of a member of the
4 Correctional Officers' Retirement System to participate in the State Employee and
5 Retiree Health and Welfare Benefits Program if the surviving dependent parent
6 receives a certain allowance; altering the requirements for a certain surviving minor
7 child to participate in the State Employee and Retiree Health and Welfare Benefits
8 Program if the surviving child receives a certain allowance; altering the distribution
9 of certain survivor benefits to surviving children of certain members of the State
10 Retirement and Pension System; requiring a surviving disabled child to receive
11 certain survivor benefits; allowing a certain death benefit to be paid if certain special
12 death benefits are waived by certain individuals; altering the distribution of certain
13 special death benefits to certain surviving children of certain members of the State
14 Retirement and Pension System; requiring a surviving disabled child to receive
15 certain special death benefits; providing for the distribution of certain special death
16 benefits to surviving children; requiring a surviving dependent parent to receive
17 certain special death benefits; requiring certain death benefits to be paid if the
18 payment of certain special death benefits are waived by certain individuals; making
19 conforming changes; providing for the application of this Act; and generally relating
20 to death benefits in the State Retirement and Pension System.

21 BY repealing and reenacting, with amendments,

22 Article – State Personnel and Pensions

23 Section 2–507, 24–403, 26–402, 27–403, 29–202, 29–203, 29–204, 29–204.1, and

24 29–204.2

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Annotated Code of Maryland
2 (2015 Replacement Volume and 2016 Supplement)

3 BY repealing and reenacting, without amendments,
4 Article – State Personnel and Pensions
5 Section 29–201
6 Annotated Code of Maryland
7 (2015 Replacement Volume and 2016 Supplement)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
9 That the Laws of Maryland read as follows:

10 **Article – State Personnel and Pensions**

11 2–507.

12 (a) Subject to the regulations adopted under § 2–503 of this subtitle, a State
13 employee may enroll and participate in any of the health insurance or other benefit options
14 established under the Program.

15 (b) The surviving spouse of a State employee who died while employed by the
16 State may enroll and participate in the health insurance benefit options established under
17 the Program as long as the surviving spouse:

18 (1) is receiving an allowance under Title 29, Subtitle 2 of this article; or

19 (2) is the sole primary designated beneficiary and receiving a periodic
20 distribution of benefits under an optional retirement program under Title 30 of this article.

21 (c) The surviving [minor] child or dependent parent of a State Police officer who
22 died while employed by the State may enroll and participate in the health insurance benefit
23 options established under the Program as long as the child or parent is receiving an
24 allowance under Title 29, Subtitle 2 of this article.

25 (d) The surviving [minor] child **OR DEPENDENT PARENT** of a correctional officer
26 who at the time of death was a member of the Correctional Officers' Retirement System
27 and who died while employed by the State may enroll and participate in the health
28 insurance benefit options established under the Program as long as the child **OR PARENT**
29 is receiving an allowance under Title 29, Subtitle 2 of this article.

30 (e) The surviving [minor] child or dependent parent of a State employee who at
31 the time of death was a member of the Employees' Retirement System, Employees' Pension
32 System, Teachers' Retirement System, or Teachers' Pension System and who was killed
33 while employed by the State may enroll and participate in the health insurance benefit
34 options established under the Program as long as the child or parent is receiving an
35 allowance under Title 29, Subtitle 2 of this article.

1 24-403.

2 (a) This section applies only to a retiree who has retired with a service retirement
3 allowance or a disability retirement allowance or a former member who has retired with a
4 deferred vested allowance.

5 (b) On the death of a retiree or former member, the Board of Trustees shall pay
6 80% of the retiree's retirement allowance:

7 (1) to the surviving spouse; or

8 (2) if there is [not a] NO surviving spouse ~~for~~, if the surviving spouse dies
9 ~~before the youngest child is [18] 26 years old, OR THERE IS A SURVIVING DISABLED~~
10 ~~CHILD~~, to any children of the deceased retiree ~~who are under 18 years of age~~ ~~IN~~
11 ~~ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION OR DISABLED, AS DEFINED~~
12 UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH
13 SUBSECTION (C) OF THIS SECTION.

14 (c) (1) ~~[If] EXCEPT AS PROVIDED IN PARAGRAPH (2) PARAGRAPHS (2)~~
15 AND (3) OF THIS SUBSECTION, IF the Board of Trustees pays an allowance to more than
16 one child, the Board of Trustees shall divide the allowance ~~EQUALLY~~ among the children
17 ~~[under the age of 18 years]~~ in a manner that provides for payments to continue until ~~[each~~
18 ~~child dies or becomes 18 years old]~~:

19 (I) ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS DIED; OR

20 (II) ~~THE YOUNGEST SURVIVING~~ EACH CHILD BECOMES 26 18
21 YEARS OLD.

22 (2) NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A
23 SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE
24 UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 18 YEARS, IF THE
25 CHILD CONTINUES TO BE DISABLED.

26 (3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER
27 PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7)
28 OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE
29 DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE
30 ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:

31 1. ALL OTHER NONDISABLED SURVIVING CHILDREN
32 HAVE DIED; OR

33 2. THE YOUNGEST NONDISABLED SURVIVING CHILD
34 BECOMES ~~26 18~~ YEARS OLD.

1 (II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS
 2 DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE
 3 PAYABLE UNDER THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE
 4 DISABLED CHILDREN.

5 26-402.

6 (a) This section applies to the surviving spouse or a child of a retiree in receipt of
 7 a service retirement allowance or a disability retirement allowance.

8 (b) On the death of a retiree, the Board of Trustees shall pay 50% of the retiree's
 9 retirement allowance to:

10 (1) the surviving spouse; or

11 (2) if there is no surviving spouse ~~for~~, if the surviving spouse dies ~~before~~
 12 ~~the youngest child of the retiree is [18] 26 years old, [all] OR THERE IS A SURVIVING~~
 13 ~~DISABLED CHILD, ANY, TO ANY~~ children of the deceased retiree ~~who are under 18~~ **26**
 14 ~~years old]~~ IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION OR DISABLED, AS
 15 DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE.

16 (c) (1) ~~[If] EXCEPT AS PROVIDED IN PARAGRAPH (2) PARAGRAPHS (2)~~
 17 AND (3) OF THIS SUBSECTION, IF the Board of Trustees pays an allowance to more than
 18 one child, the Board of Trustees shall divide the allowance ~~EQUALLY~~ among the children
 19 ~~[under the age of 18 years]~~ in a manner that provides for payments to continue until ~~[each~~
 20 ~~child dies]~~:

21 (I) ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS DIED; or

22 (II) ~~THE YOUNGEST SURVIVING~~ EACH CHILD becomes ~~[18]~~ **26**
 23 years old.

24 (2) NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A
 25 SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE
 26 UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 26 YEARS, IF THE
 27 CHILD CONTINUES TO BE DISABLED.

28 (3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER
 29 PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7)
 30 OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE
 31 DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE
 32 ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:

1 1. ALL OTHER NONDISABLED SURVIVING CHILDREN
2 HAVE DIED; OR

3 2. THE YOUNGEST NONDISABLED SURVIVING CHILD
4 BECOMES 26 YEARS OLD.

5 (ii) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS
6 DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE
7 PAYABLE UNDER THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE
8 DISABLED CHILDREN.

9 27-403.

10 (a) (1) Except as provided in paragraph (2) of this subsection, on the death of
11 a member, the Board of Trustees shall pay to the surviving spouse 50% of the retirement
12 allowance that would be payable were the member alive and eligible to receive a retirement
13 allowance.

14 (2) (i) If at the time of death the member does not have a surviving
15 spouse, the Board of Trustees shall pay to the member's designated beneficiary or
16 beneficiaries a lump-sum death benefit consisting of the sum of:

17 1. the member's accumulated contributions; and
18 2. an amount equal to the member's annual salary at the
19 time of death.

20 (ii) If a member has designated more than one beneficiary, the
21 lump-sum death benefit provided in subparagraph (i) of this paragraph shall be divided
22 equally among the beneficiaries.

23 (b) On the death of a former member or retiree, the Board of Trustees shall pay
24 to the surviving spouse 50% of the retirement allowance that would be payable were the
25 former member or retiree alive and eligible to receive a retirement allowance.

26 (c) (1) This subsection applies to a member, former member, or retiree who at
27 the time of death:

28 (i) does not have a spouse; and

29 (ii) has a child under the age of [18] 26 years, OR A CHILD WHO IS
30 DISABLED.

31 (2) [Until each child reaches the age of 18 years, the] THE Board of
32 Trustees shall pay to the surviving children of the member, former member, or retiree ~~who~~
33 are under the age of ~~18~~ 26 years] OR ARE DISABLED the retirement allowance that would

1 have been paid to a surviving spouse under subsection (a) or (b) of this section, ~~SUBJECT~~
 2 ~~TO PARAGRAPH (3) OF THIS SUBSECTION.~~

3 (3) (I) [If] EXCEPT AS PROVIDED IN ~~SUBPARAGRAPH (II)~~
 4 SUBPARAGRAPHS (II) AND (III) OF THIS PARAGRAPH, IF the Board of Trustees pays an
 5 allowance to more than one child, the Board of Trustees shall divide the allowance equally
 6 among the children [who are under the age of 18 years becomes 18 years old] IN A MANNER
 7 THAT PROVIDES FOR PAYMENTS TO CONTINUE UNTIL:

8 1. ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS
 9 DIED; OR

10 2. ~~THE YOUNGEST SURVIVING~~ EACH CHILD BECOMES 26
 11 YEARS OLD.

12 (II) NOTWITHSTANDING PARAGRAPH (3)(I)2 OF THIS
 13 SUBSECTION, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE
 14 AN ALLOWANCE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH PAST THE AGE OF
 15 26 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.

16 (III) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER
 17 SUBPARAGRAPH (I) OF THIS PARAGRAPH IS DISABLED, AS DEFINED UNDER §
 18 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY
 19 TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE
 20 ALLOWANCES PAID UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AFTER:

21 1. ALL OTHER NONDISABLED SURVIVING CHILDREN
 22 HAVE DIED; OR

23 2. THE YOUNGEST NONDISABLED SURVIVING CHILD
 24 BECOMES 26 YEARS OLD.

25 ~~(III)~~ (IV) IF MORE THAN ONE SURVIVING CHILD IS DISABLED,
 26 AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE
 27 PAYABLE UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH SHALL BE DIVIDED
 28 EQUALLY AMONG THE DISABLED CHILDREN.

29 29-201.

30 This subtitle does not apply to the Judges' Retirement System.

31 29-202.

32 (a) (1) (I) ~~When~~ SUBJECT TO SUBPARAGRAPH (II) OF THIS
 33 PARAGRAPH, WHEN the Board of Trustees receives proof of death of an individual who

1 died while employed as a member, the Board of Trustees shall pay to the designated
2 beneficiary or, if there is no designated beneficiary, to the member's estate the amounts
3 specified in this subsection.

4 **(II) IF A MEMBER DESIGNATES MORE THAN ONE BENEFICIARY,**
5 **ON THE DEATH OF THE MEMBER, THE BOARD OF TRUSTEES SHALL PAY THE**
6 **AMOUNTS SPECIFIED IN THIS SUBSECTION IN EQUAL SHARES TO EACH OF THE**
7 **DESIGNATED BENEFICIARIES.**

8 (2) Subject to paragraph (1) of this subsection, the Board of Trustees shall
9 pay the member's accumulated contributions.

10 (3) Subject to paragraph (1) of this subsection, the Board of Trustees shall
11 pay an amount equal to the member's annual earnable compensation at death if the
12 member dies in the course of the performance of duty or the member has at least 1 year of
13 eligibility service.

14 (b) (1) A death benefit under this section may not be paid for the death of a
15 member of the State Police Retirement System if a special death benefit under § 29-204 of
16 this subtitle is [payable or has been] paid for that death.

17 (2) A death benefit under this section may not be paid for the death of a
18 member of the Correctional Officers' Retirement System if a special death benefit under §
19 29-204.1 of this subtitle is [payable or has been] paid for that death.

20 (3) A death benefit under this section may not be paid for the death of a
21 member of the Employees' Retirement System, Employees' Pension System, Teachers'
22 Retirement System, or Teachers' Pension System if a special death benefit under §
23 29-204.2 of this subtitle is [payable or has been] paid for that death.

24 (4) A death benefit under this section may not be paid for the death of a
25 member of the Law Enforcement Officers' Pension System if a special death benefit under
26 § 29-203 of this subtitle is [payable or has been] paid for that death.

27 **(5) IF ALL INDIVIDUALS WHO ARE ELIGIBLE FOR A SPECIAL DEATH**
28 **BENEFIT UNDER § 29-203, § 29-204, § 29-204.1, OR § 29-204.2 ELECT TO WAIVE THE**
29 **PAYMENT OF A SPECIAL DEATH BENEFIT, A BENEFIT SHALL BE PAID IN**
30 **ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.**

31 (c) The Board of Trustees may provide the death benefit as group life insurance
32 if the Board of Trustees finds that the designated beneficiaries would receive a more
33 favorable tax treatment of the death benefit.

34 29-203.

1 (a) (1) This subsection applies only to an individual who dies while employed
2 as a member of the Law Enforcement Officers' Pension System:

3 (i) without willful negligence by the member; and

4 (ii) with more than 2 years of eligibility service.

5 (2) When the Board of Trustees receives proof of death of a member and
6 finds that the death has occurred in the manner described in paragraph (1) of this
7 subsection, the Board of Trustees shall pay:

8 (i) if the member is survived by a spouse [or], A child under the age
9 of [18] **26** years, **A DISABLED CHILD, OR A DEPENDENT PARENT:**

10 1. the member's accumulated contributions to the designated
11 beneficiary, or otherwise to the member's estate; and

12 2. an allowance of 50% of the ordinary disability retirement
13 allowance provided for in § 29-108 of this title:

14 A. to the surviving spouse; [or]

15 B. if there is no surviving spouse or if the surviving spouse
16 dies ~~before the youngest child of the member is [18] 26 years old, to [any] ALL~~ children of
17 the deceased member ~~[who are under the age of 18 26 years; or] IN ACCORDANCE WITH~~
18 ~~SUBSECTION (C) OF THIS SECTION; **DISABLED, AS DEFINED UNDER § 72(M)(7) OF**~~
19 ~~**THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS**~~
20 ~~**SECTION; OR**~~

21 ~~C. **IF THERE IS NO SURVIVING SPOUSE OR NO CHILD**~~
22 ~~**YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE**~~
23 ~~**WITH SUBSECTION (C) OF THIS SECTION; OR**~~

24 ~~D. **IF THERE IS NO SURVIVING SPOUSE, NO CHILD**~~
25 ~~**YOUNGER THAN 26 YEARS OF AGE, OR NO DISABLED CHILD, TO THE MEMBER'S**~~
26 ~~**DEPENDENT PARENT TO CONTINUE AS THE BOARD OF TRUSTEES MAY DIRECT FOR**~~
27 ~~**THE REST OF THE PARENT'S LIFE; OR**~~

28 (ii) if the member is not survived by a spouse [or], A child under the
29 age of [18] **26** years, **A DISABLED CHILD, OR A DEPENDENT PARENT**, the death benefit
30 under § 29-202 of this subtitle.

31 (b) (1) This subsection applies only to an individual who dies while employed
32 as a member of the Law Enforcement Officers' Pension System:

33 (i) without willful negligence by the member; and

1 (ii) with death arising out of or in the course of the actual
2 performance of duty.

3 (2) When the Board of Trustees receives proof of death of a member and
4 finds that the death has occurred in the manner described in paragraph (1) of this
5 subsection, the Board of Trustees shall pay:

6 (i) if the member is survived by a spouse [or], A child under the age
7 of 26 years, **A DISABLED CHILD, OR A DEPENDENT PARENT:**

8 1. the member's accumulated contributions to the designated
9 beneficiary, or otherwise to the member's estate; and

10 2. an allowance of two-thirds of the member's average final
11 compensation:

12 A. to the surviving spouse; [or]

13 B. if there is no surviving spouse or if the surviving spouse
14 dies ~~before the youngest child of the member is 26 years old~~, to any children of the deceased
15 member ~~[who are under the age of 26 years; or] IN ACCORDANCE WITH SUBSECTION (C)~~
16 ~~OF THIS SECTION; **DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL**~~
17 ~~**REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR**~~

18 C. ~~IF THERE IS NO SURVIVING SPOUSE OR NO CHILD~~
19 ~~YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE~~
20 ~~WITH SUBSECTION (C) OF THIS SECTION; OR~~

21 ~~D.~~ **IF THERE IS NO SURVIVING SPOUSE, NO CHILD**
22 **YOUNGER THAN 26 YEARS OF AGE, OR NO DISABLED CHILD, TO THE MEMBER'S**
23 **DEPENDENT PARENT TO CONTINUE AS THE BOARD OF TRUSTEES MAY DIRECT FOR**
24 **THE REST OF THE PARENT'S LIFE; OR**

25 (ii) if the member is not survived by a spouse [or], A child under the
26 age of 26 years, **A DISABLED CHILD, OR A DEPENDENT PARENT**, the death benefit under
27 § 29-202 of this subtitle.

28 (c) (1) **[If] EXCEPT AS PROVIDED IN ~~PARAGRAPH (2)~~ PARAGRAPHS (2)**
29 **AND (3) OF THIS SUBSECTION, IF** the Board of Trustees pays an allowance under
30 [subsection (a) of] this section to more than one child, the Board of Trustees shall divide
31 the allowance among the children [under the age of 18 years] in a manner that provides
32 for payments to continue until [each child dies or becomes 18 years old]:

33 (I) ~~ALL SURVIVING CHILDREN HAVE~~ **EACH CHILD HAS DIED; OR**

1 (II) ~~THE YOUNGEST SURVIVING~~ EACH CHILD BECOMES 26
2 YEARS OLD.

3 (2) NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A
4 SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE
5 UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 26 YEARS, IF THE
6 CHILD CONTINUES TO BE DISABLED.

7 (3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER
8 PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7)
9 OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE
10 DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE
11 ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:

12 1. ALL OTHER NONDISABLED SURVIVING CHILDREN
13 HAVE DIED; OR

14 2. THE YOUNGEST NONDISABLED SURVIVING CHILD
15 BECOMES 26 YEARS OLD.

16 (II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS
17 DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE
18 PAYABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DIVIDED
19 EQUALLY AMONG THE DISABLED CHILDREN.

20 [(2) If the Board of Trustees pays an allowance under subsection (b) of this
21 section to more than one child, the Board of Trustees shall divide the allowance among the
22 children under the age of 26 years in a manner that provides for payments to continue until
23 each child dies or becomes 26 years old.]

24 (D) BEFORE THE PAYMENT OF ANY SPECIAL DEATH BENEFIT IS MADE
25 UNDER THIS SECTION, IF ALL INDIVIDUALS ELIGIBLE FOR A SPECIAL DEATH
26 BENEFIT UNDER THIS SECTION ELECT TO WAIVE THE PAYMENT OF THE SPECIAL
27 DEATH BENEFIT, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH § 29-202(A) OF
28 THIS SUBTITLE.

29 29-204.

30 (a) (1) This subsection applies only to an individual who dies while employed
31 as a member of the State Police Retirement System:

32 (i) without willful negligence by the member; and

33 (ii) with more than 2 years of eligibility service.

1 (2) When the Board of Trustees receives proof of death of a member and
 2 finds that the death has occurred in the manner described in paragraph (1) of this
 3 subsection, the Board of Trustees shall pay:

4 (i) if the member is survived by a spouse, a child under the age of
 5 **[18] 26** years, **A DISABLED CHILD**, or a dependent parent:

6 1. the member's accumulated contributions to the designated
 7 beneficiary, or otherwise to the member's estate; and

8 2. an allowance of 50% of the member's average final
 9 compensation:

10 A. to the surviving spouse;

11 B. if there is no surviving spouse or if the surviving spouse
 12 dies ~~before the youngest child of the member is [18] 26 years old~~, to ~~all~~ ANY children [under
 13 the age of 18 years; or] **OF THE DECEASED MEMBER IN ACCORDANCE WITH**
 14 **SUBSECTION (C) OF THIS SECTION; WHO ARE UNDER THE AGE OF 26 YEARS OR**
 15 **DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN**
 16 **ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR**

17 C. ~~IF THERE IS NO SURVIVING SPOUSE OR NO CHILD~~
 18 ~~YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE~~
 19 ~~WITH SUBSECTION (C) OF THIS SECTION; OR~~

20 ~~D.~~ if there is no surviving spouse [or], **NO** children younger
 21 than **[18] 26** years of age, **OR NO DISABLED CHILD**, to the member's dependent parent to
 22 continue as the Board of Trustees may direct for the rest of the parent's life; or

23 (ii) if the member is not survived by a spouse, a child under the age
 24 of **[18] 26** years, **A DISABLED CHILD**, or a dependent parent, the death benefit under §
 25 29–202 of this subtitle.

26 (b) (1) This subsection applies only to an individual who dies while employed
 27 as a member of the State Police Retirement System:

28 (i) without willful negligence by the member; and

29 (ii) with death arising out of or in the course of the actual
 30 performance of duty.

31 (2) When the Board of Trustees receives proof of death of a member and
 32 finds that the death has occurred in the manner described in paragraph (1) of this
 33 subsection, the Board of Trustees shall pay:

1 (i) if the member is survived by a spouse, a child under the age of
2 **[18] 26** years, **A DISABLED CHILD**, or a dependent parent:

3 1. the member's accumulated contributions to the designated
4 beneficiary, or otherwise to the member's estate; and

5 2. an allowance of two-thirds of the member's average final
6 compensation:

7 A. to the surviving spouse;

8 B. if there is no surviving spouse or if the surviving spouse
9 dies ~~before the youngest child of the member is [18] 26 years old~~, to ~~all~~ ANY children [under
10 the age of 18 years; or] ~~OF THE DECEASED MEMBER IN ACCORDANCE WITH~~
11 ~~SUBSECTION (C) OF THIS SECTION; WHO ARE UNDER THE AGE OF 26 YEARS OR~~
12 ~~DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, IN~~
13 ~~ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION; OR~~

14 C. ~~IF THERE IS NO SURVIVING SPOUSE OR NO CHILD~~
15 ~~YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE~~
16 ~~WITH SUBSECTION (C) OF THIS SECTION; OR~~

17 ~~D.~~ if there is no surviving spouse [or], ~~NO~~ children younger
18 than **[18] 26** years of age, **OR NO DISABLED CHILD**, to the member's dependent parent to
19 continue as the Board of Trustees may direct for the rest of the parent's life; or

20 (ii) if the member is not survived by a spouse, a child under the age
21 of **[18] 26** years, **A DISABLED CHILD**, or a dependent parent, the death benefit under §
22 29–202 of this subtitle.

23 (c) **(1)** ~~[If EXCEPT AS PROVIDED IN PARAGRAPH (2) PARAGRAPHS (2)~~
24 ~~AND (3) OF THIS SUBSECTION, IF~~ the Board of Trustees pays an allowance under this
25 section to more than one child, the Board of Trustees shall divide the allowance among the
26 children [under the age of 18 years] in a manner that provides for payments to continue
27 until [each child dies or becomes 18 years old]:

28 **(I)** ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS DIED; OR

29 **(II)** ~~THE YOUNGEST SURVIVING~~ EACH CHILD BECOMES 26
30 YEARS OLD.

31 **(2)** NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A
32 SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE

1 UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 26 YEARS, IF THE
2 CHILD CONTINUES TO BE DISABLED.

3 **(3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER**
4 **PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7)**
5 **OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE**
6 **DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE**
7 **ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:**

8 **1. ALL OTHER NONDISABLED SURVIVING CHILDREN**
9 **HAVE DIED; OR**

10 **2. THE YOUNGEST NONDISABLED SURVIVING CHILD**
11 **BECOMES 26 YEARS OLD.**

12 **(II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS**
13 **DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE**
14 **PAYABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DIVIDED**
15 **EQUALLY AMONG THE DISABLED CHILDREN.**

16 **(D) BEFORE THE PAYMENT OF ANY SPECIAL DEATH BENEFIT IS MADE**
17 **UNDER THIS SECTION, IF ALL INDIVIDUALS ELIGIBLE FOR A SPECIAL DEATH**
18 **BENEFIT UNDER THIS SECTION ELECT TO WAIVE THE PAYMENT OF THE SPECIAL**
19 **DEATH BENEFIT, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH § 29-202(A) OF**
20 **THIS SUBTITLE.**

21 29-204.1.

22 (a) This section applies only to an individual who dies while employed as a
23 member of the Correctional Officers' Retirement System:

24 (1) without willful negligence by the member; and

25 (2) with death arising out of or in the course of the actual performance of
26 duty.

27 (b) When the Board of Trustees receives proof of death of a member and finds that
28 the death has occurred in the manner described in subsection (a) of this section, the Board
29 of Trustees shall pay:

30 (1) if the member is survived by a spouse [or], a child under the age of [18]
31 **26 years, A DISABLED CHILD, OR A DEPENDENT PARENT:**

32 (i) the member's accumulated contributions to the designated
33 beneficiary, or otherwise to the member's estate; and

1 (ii) an allowance of two-thirds of the member's average final
2 compensation:

3 1. to the surviving spouse; or

4 2. if there is no surviving spouse or if the surviving spouse
5 dies ~~before the youngest child of the member is [18] 26 years old~~, to ~~any~~ **ALL** children of
6 the deceased member ~~[who are under the age of 18 26 years; or] IN ACCORDANCE WITH~~
7 ~~SUBSECTION (C) OF THIS SECTION; DISABLED, AS DEFINED UNDER § 72(M)(7) OF~~
8 ~~THE INTERNAL REVENUE CODE, IN ACCORDANCE WITH SUBSECTION (C) OF THIS~~
9 ~~SECTION; OR~~

10 3. ~~IF THERE IS NO SURVIVING SPOUSE OR NO CHILD~~
11 ~~YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE~~
12 ~~WITH SUBSECTION (C) OF THIS SECTION; OR~~

13 ~~4.~~ **IF THERE IS NO SURVIVING SPOUSE, NO CHILD**
14 **YOUNGER THAN 26 YEARS OF AGE, OR NO DISABLED CHILD, TO THE MEMBER'S**
15 **DEPENDENT PARENT TO CONTINUE AS THE BOARD OF TRUSTEES MAY DIRECT FOR**
16 **THE REST OF THE PARENT'S LIFE; OR**

17 (2) if the member is not survived by a spouse [or], a child under the age of
18 [18] 26 years, **A DISABLED CHILD, OR A DEPENDENT PARENT**, the death benefit under
19 § 29-202 of this subtitle.

20 (c) **(1) [If] EXCEPT AS PROVIDED IN ~~PARAGRAPH (2)~~ PARAGRAPHS (2)**
21 **AND (3) OF THIS SUBSECTION**, IF the Board of Trustees pays an allowance under this
22 section to more than one child, the Board of Trustees shall divide the allowance among the
23 children [under the age of 18 years] in a manner that provides for payments to continue
24 until [each child dies or becomes 18 years old]:

25 **(I) ~~ALL SURVIVING CHILDREN HAVE~~ EACH CHILD HAS DIED; OR**

26 **(II) ~~THE YOUNGEST SURVIVING~~ EACH CHILD BECOMES 26**
27 **YEARS OLD.**

28 **(2) NOTWITHSTANDING PARAGRAPH (1)(II) OF THIS SUBSECTION, A**
29 **SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE**
30 **UNDER PARAGRAPH (1) OF THIS SUBSECTION PAST THE AGE OF 26 YEARS, IF THE**
31 **CHILD CONTINUES TO BE DISABLED.**

32 **(3) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER**
33 **PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7)**
34 **OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE**

