

Department of Legislative Services  
 Maryland General Assembly  
 2024 Session

FISCAL AND POLICY NOTE  
 Third Reader

Senate Bill 850

(Senator Corderman)

Budget and Taxation

Appropriations

State Personnel - Line-of-Duty Death and Funeral Benefits

This bill increases the cap on reasonable funeral expenses, from \$10,000 to \$25,000, paid to surviving family members or the estate of specified public safety individuals who are killed or die in the performance of duties, and indexes the cap to inflation beginning in fiscal 2026. This funeral benefit no longer must be reduced by any related workers' compensation benefits paid. Additionally, the bill increases the death benefit, from \$100,000 to \$125,000, for specified surviving family members of specified Maryland National Guard members and all State employees (including, under the bill, employees in the Legislative and Judicial branches) who are killed in the performance of their duties, and provides for reasonable funeral expenses, of up to \$25,000, to be paid for such individuals. These death and funeral benefits, along with the death benefit of \$50,000 for specified public safety employees under current law, are indexed to inflation beginning in fiscal 2026. Specified surviving family members of State employees who are killed in the performance of duties on or after January 1, 2023, may request death and funeral benefits under the bill by December 31, 2024, and the Secretary of Budget and Management must administer the benefits as specified. **The bill takes effect June 1, 2024.**

Fiscal Summary

**State Effect:** Likely no effect in FY 2024. Under assumptions discussed below, general fund expenditures increase by \$340,000 in FY 2025, and by at least \$206,700 annually thereafter; actual expenditures likely vary annually depending on the number of claims made. State revenues are not affected. **This bill increases the cost of an entitlement likely beginning in FY 2025.**

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	340,000	206,700	223,400	240,800	258,900
Net Effect	(\$340,000)	(\$206,700)	(\$223,400)	(\$240,800)	(\$258,900)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

**Local Effect:** Minimal, as discussed below.

**Small Business Effect:** None.

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## Analysis

### Current Law:

#### *Death and Funeral Benefits for Public Safety Employees*

The Department of Public Safety and Correctional Services (DPSCS) is required to pay a death benefit to the surviving spouse, child, dependent parent, or estate of each of the following individuals who is killed or dies in the performance of duties: (1) a law enforcement officer; (2) a correctional officer; (3) a volunteer or career firefighter or rescue squad member; (4) a sworn member of the State Fire Marshal's Office; (5) a public safety aviation employee; (6) a Maryland resident who was a member of the uniform services of the United States serving in the Afghanistan or Iraq conflict; or (7) a hazardous material response team employee of the Maryland Department of the Environment or a local government agency. With the exception of a member of the Armed Forces serving in Afghanistan or Iraq, reasonable funeral expenses of up to \$10,000 must also be paid. This funeral benefit must be reduced by the amount of any related workers' compensation benefits paid.

Generally, an application for a death benefit must be submitted within three years after the death of the decedent. Beginning in fiscal 2009, the \$125,000 death benefit is adjusted annually by the Consumer Price Index. The death benefit is in addition to any workers' compensation benefits, life insurance proceeds, and the funeral benefits mentioned above (which are not indexed to inflation).

The Secretary of Public Safety and Correctional Services may award a death benefit on a case-by-case basis as specified. Payments of death or funeral benefits must be made out of money that the Governor includes for that purpose in the State budget.

#### *Death and Funeral Expenses for State Employees*

The State must pay a death benefit of \$100,000 to the surviving spouse, children, or dependent parents of specified State employees and members of the Maryland National Guard serving on orders who are killed in the performance of duties.

A death benefit of \$50,000 must be paid to the surviving spouse, children, or dependent parents of public safety employees covered under the death benefits for public safety

employees who are killed in the performance of duties, but an individual who receives this benefit may not also receive the State employee death benefit of \$100,000.

A death benefit may not be paid if an employee is killed as a result of the employee's negligence or for other specified reasons. A death benefit is in addition to any workers' compensation benefits, life insurance premiums, death and funeral benefits for public safety employees, and other specified benefits paid relating to Maryland National Guard members.

When the head of the unit that employed the decedent notifies the Secretary of Budget and Management, the Secretary must determine whether a death benefit will be paid and, if so, make the payment to the surviving spouse, children, or dependent parents, as specified. A death benefit must be paid out of funds that the Governor may appropriate for that purpose in the State budget. The Secretary's decision is the final administrative decision and not subject to appeal.

#### *Pension System Line-of-duty Death Benefits*

State pension law includes special line-of-duty death benefits for surviving spouses of members of the Employees' Combined System, Teachers' Combined System, Correctional Officers' Retirement System, Law Enforcement Officers' Pension System, and State Police Retirement System. The benefits are paid in addition to other benefits payable by the State and consist of (1) the member's accumulated contributions and (2) an allowance equal to two-thirds of the member's final compensation. The benefit is paid first to the surviving spouse or, if there is no surviving spouse, to any surviving children who are younger than age 26 or disabled, as specified. If there are no surviving children, the benefit is paid to a dependent parent.

The Judges' Retirement System (JRS) does not have a special line-of-duty death benefit; however, when an active JRS member dies, the Board of Trustees of the State Retirement and Pension System (SRPS) must pay the surviving spouse 50% of the retirement allowance that would be payable if the member were alive and eligible to receive a retirement allowance. If there is no surviving spouse or children who are younger than age 26 or disabled, the SRPS board must pay to the member's designated beneficiary a lump-sum death benefit consisting of (1) the member's accumulated contributions and (2) an amount equal to the member's annual salary at the time of death. If there is more than one designated beneficiary, the lump-sum payment is divided equally among them.

**State Expenditures:** Based on the assumptions described below, general fund expenditures increase by \$250,000 for the Department of Budget and Management (DBM) and by \$90,000 for DPSCS in fiscal 2025, which assumes it takes at least a month from the bill's June 1, 2024 effective date for survivors to request benefits and for those benefits to

be paid. General fund expenditures increase annually by at least \$113,347 for DBM and by at least \$93,337 for DPSCS beginning in fiscal 2026, with future years reflecting the cumulative impact of inflation. The following assumptions used in calculating the estimate are based on recent experience (including the recent murder of a circuit court judge) and reflect the maximum benefit allowed being paid.

- One request is made in fiscal 2025 for the death benefit and funeral expenses under the bill due to expanding coverage for State employees who are killed in the performance of duties to include Legislative and Judicial employees. Accordingly, general fund expenditures for DBM increase by as much as \$150,000 in fiscal 2025. While additional claims may be made in future years, the Department of Legislative Services assumes these are rare occurrences and no additional claims are made after fiscal 2025 due to this expansion of coverage.
- General fund expenditures for DBM also increase by at least \$50,000 for each State employee killed in the performance of duties – specifically as a result of increasing the death benefit, from \$100,000 to \$125,000, and paying for reasonable funeral expenses, of up to \$25,000, with these benefits indexed to inflation beginning in fiscal 2026. Accordingly, assuming two claims would normally be paid each year, general fund expenditures increase by at least \$100,000 annually beginning in fiscal 2025 (future years will reflect inflation).
- General fund expenditures for DPSCS increase by at least \$15,000 for each public safety individual who is killed or dies in the performance of duties – as a result of increasing the cap on funeral expenses paid from \$10,000 to \$25,000, with this benefit indexed to inflation beginning in fiscal 2026. Assuming six public safety individuals are killed or die in the performance of duties each year, general fund expenditures for DPSCS increase by at least \$90,000 annually beginning in fiscal 2025 (future years will reflect inflation). Expenditures may further increase from no longer reducing funeral benefits by related workers' compensation benefits paid.
- The bill also indexes to inflation, beginning in fiscal 2026, the death benefit of \$50,000 paid under § 10-404 of the State Personnel and Pensions Article for public safety State employees who are killed or die in the performance of duties. Assuming six claims each year, general fund expenditures for DBM increase by at least \$6,674 annually beginning in fiscal 2026 (future years will reflect the cumulative impact of inflation).

To the extent that actual claims each year vary from these assumptions, general fund expenditures also vary.

This analysis assumes DBM pays the death and funeral benefits for all employees covered under § 10-404 of the State Personnel and Pensions Article, and DPSCS pays the death and

funeral benefits for public safety employees covered under § 1-202 of the Public Safety Article. To the extent State agencies of the applicable employees pay these expenses, other State agencies' expenditures, which may include general, special, and/or federal funds, increase and DBM's expenditures decrease.

**Local Expenditures:** Any local government desiring to pay the death and funeral benefit to a hazardous material response team employee of a local agency must reserve \$15,000 of additional funds to cover the increased funeral expenses for one covered employee.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Comptroller's Office; Department of Budget and Management; Maryland Department of Labor; Department of Public Safety and Correctional Services; Department of State Police; Maryland Department of Transportation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 20, 2024  
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