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By: **Senators McFadden, Munson, and Ruben**  
Introduced and read first time: February 23, 2001  
Assigned to: Rules

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A BILL ENTITLED

1 AN ACT concerning

2 **Correctional Officers - Payment of Special Death Benefits - Income Tax**  
3 **Subtraction Modification**

4 FOR the purpose of requiring the Board of Trustees of the State Retirement and  
5 Pension System to pay a certain allowance to certain surviving beneficiaries of  
6 members of the Correctional Officers' Retirement System under certain  
7 circumstances; allowing a subtraction modification under the Maryland income  
8 tax for certain payments from a pension system to the surviving spouse or other  
9 beneficiary of a correctional officer under certain circumstances; making a  
10 certain election inapplicable to the surviving spouse of an individual who died  
11 while employed as a member of the Correctional Officers' Retirement System;  
12 providing for the application of this Act; and generally relating to certain  
13 benefits payable from the Correctional Officers' Retirement System.

14 BY adding to  
15 Article - State Personnel and Pensions  
16 Section 29-204.1  
17 Annotated Code of Maryland  
18 (1997 Replacement Volume and 2000 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article - State Personnel and Pensions  
21 Section 29-205(a)  
22 Annotated Code of Maryland  
23 (1997 Replacement Volume and 2000 Supplement)

24 BY adding to  
25 Article - Tax - General  
26 Section 10-207(v)  
27 Annotated Code of Maryland  
28 (1997 Replacement Volume and 2000 Supplement)

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

3 **Article - State Personnel and Pensions**

4 29-204.1.

5 (A) THIS SECTION APPLIES ONLY TO AN INDIVIDUAL WHO DIES WHILE  
6 EMPLOYED AS A MEMBER OF THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM:

7 (1) WITHOUT WILLFUL NEGLIGENCE BY THE MEMBER; AND

8 (2) (I) WITH MORE THAN 2 YEARS OF ELIGIBILITY SERVICE; OR

9 (II) WITH DEATH ARISING OUT OF OR IN THE COURSE OF THE  
10 ACTUAL PERFORMANCE OF DUTY.

11 (B) WHEN THE BOARD OF TRUSTEES RECEIVES PROOF OF DEATH OF A  
12 MEMBER AND FINDS THAT THE DEATH HAS OCCURRED IN THE MANNER DESCRIBED  
13 IN SUBSECTION (A) OF THIS SECTION, THE BOARD OF TRUSTEES SHALL PAY:

14 (1) IF THE MEMBER IS SURVIVED BY A SPOUSE, A CHILD UNDER THE  
15 AGE OF 18 YEARS, OR A DEPENDENT PARENT:

16 (I) THE MEMBER'S ACCUMULATED CONTRIBUTIONS TO THE  
17 DESIGNATED BENEFICIARY, OR OTHERWISE TO THE MEMBER'S ESTATE; AND

18 (II) AN ALLOWANCE OF TWO-THIRDS OF THE MEMBER'S AVERAGE  
19 FINAL COMPENSATION:

20 1. TO THE SURVIVING SPOUSE;

21 2. IF THERE IS NO SURVIVING SPOUSE OR IF THE SURVIVING  
22 SPOUSE DIES BEFORE THE YOUNGEST CHILD OF THE MEMBER IS 18 YEARS OLD, TO  
23 ALL CHILDREN UNDER THE AGE OF 18 YEARS; OR

24 3. IF THERE IS NO SURVIVING SPOUSE OR CHILDREN  
25 YOUNGER THAN 18 YEARS OF AGE, TO THE MEMBER'S DEPENDENT PARENT TO  
26 CONTINUE AS THE BOARD OF TRUSTEES MAY DIRECT FOR THE REST OF THE  
27 PARENT'S LIFE; OR

28 (2) IF THE MEMBER IS NOT SURVIVED BY A SPOUSE, A CHILD UNDER  
29 THE AGE OF 18 YEARS, OR A DEPENDENT PARENT, THE DEATH BENEFIT UNDER §  
30 29-202 OF THIS SUBTITLE.

31 (C) IF THE BOARD OF TRUSTEES PAYS AN ALLOWANCE UNDER THIS SECTION  
32 TO MORE THAN ONE CHILD, THE BOARD OF TRUSTEES SHALL DIVIDE THE  
33 ALLOWANCE AMONG THE CHILDREN UNDER THE AGE OF 18 YEARS IN A MANNER  
34 THAT PROVIDES FOR PAYMENTS TO CONTINUE UNTIL EACH CHILD DIES OR  
35 BECOMES 18 YEARS OLD.

1 29-205.

2 (a) This section applies to the surviving spouse of an individual who died  
3 while employed as a member of:

4 (1) [the Correctional Officers' Retirement System;

5 (2)] the Employees' Retirement System;

6 [(3)] (2) the Local Fire and Police System, if the member had transferred  
7 from the Employees' Retirement System; or

8 [(4)] (3) the Teachers' Retirement System.

9 **Article - Tax - General**

10 10-207.

11 (V) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES A  
12 PAYMENT FROM A PENSION SYSTEM TO THE SURVIVING SPOUSE OR OTHER  
13 BENEFICIARY OF A CORRECTIONAL OFFICER WHOSE DEATH ARISES OUT OF OR IN  
14 THE COURSE OF EMPLOYMENT AS A CORRECTIONAL OFFICER.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 July 1, 2001. The subtraction modification under § 10-207(v) of the Tax - General  
17 Article as enacted under Section 1 of this Act, shall be applicable to all taxable years  
18 beginning after December 31, 2000.