

SENATE BILL 171

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2002 Regular Session
2r1387
CF 2r1388

By: **The President (Judicial Compensation Commission)**

Introduced and read first time: January 16, 2002

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Judges' Retirement System - Death Benefits - Multiple Beneficiaries**

3 FOR the purpose of providing certain members and certain retirees of the Judges'
4 Retirement System with the option of designating multiple beneficiaries for
5 certain death benefits; creating a lump-sum death benefit for certain
6 beneficiaries of certain members of the Judges' Retirement System; and
7 generally relating to death benefits of certain members and certain retirees of
8 the Judges' Retirement System.

9 BY repealing and reenacting, without amendments,
10 Article - State Personnel and Pensions
11 Section 21-401(a)
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 2001 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article - State Personnel and Pensions
16 Section 21-403(a), 27-403, and 27-405
17 Annotated Code of Maryland
18 (1997 Replacement Volume and 2001 Supplement)

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

21 **Article - State Personnel and Pensions**

22 21-401.

23 (a) (1) Subject to paragraph (2) of this subsection, instead of the basic
24 allowance provided under the State system of a member, the member may elect a
25 reduced allowance to be paid as one of the options under § 21-403 of this subtitle.

26 (2) Paragraph (1) of this subsection applies to a member of:

1 (i) the Law Enforcement Officers' Pension System or State Police
2 Retirement System only if, at retirement, the member does not have a spouse; and

3 (ii) the Judges' Retirement System only if, at retirement, the
4 member does not have a spouse or child under the age of 18 years.

5 21-403.

6 (a) (1) Under Option 1, if a retiree dies before receiving payments equal to
7 the actuarial equivalent present value of the retiree's basic allowance computed at the
8 time of retirement, the Board of Trustees shall pay the balance as a single payment:

9 [(1)] (I) to the designated beneficiary; or

10 [(2)] (II) if there is no designated beneficiary, to the retiree's estate.

11 (2) (I) AT THE TIME OF RETIREMENT, A MEMBER OF THE JUDGES'
12 RETIREMENT SYSTEM DESCRIBED IN § 21-401(A)(2) OF THIS ARTICLE MAY DESIGNATE
13 MORE THAN ONE BENEFICIARY FOR THE OPTIONAL BENEFIT PROVIDED IN
14 PARAGRAPH (1) OF THIS SUBSECTION.

15 (II) IF, AT THE TIME OF RETIREMENT, A MEMBER OF THE JUDGES'
16 RETIREMENT SYSTEM DOES DESIGNATE MORE THAN ONE BENEFICIARY FOR THE
17 OPTIONAL BENEFIT PROVIDED IN PARAGRAPH (1) OF THIS SUBSECTION, THE SINGLE
18 PAYMENT WILL BE PAID IN EQUAL SHARES TO EACH OF THE DESIGNATED
19 BENEFICIARIES.

20 27-403.

21 (a) (1) [On] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
22 ON the death of a member, the Board of Trustees shall pay to the surviving spouse
23 50% of the retirement allowance that would be payable were the member alive and
24 eligible to receive a retirement allowance.

25 (2) (I) IF AT THE TIME OF DEATH THE MEMBER DOES NOT HAVE A
26 SURVIVING SPOUSE, THE BOARD OF TRUSTEES SHALL PAY TO THE MEMBER'S
27 DESIGNATED BENEFICIARY OR BENEFICIARIES A LUMP-SUM DEATH BENEFIT
28 CONSISTING OF THE SUM OF:

29 1. THE MEMBER'S ACCUMULATED CONTRIBUTIONS; AND

30 2. AN AMOUNT EQUAL TO THE MEMBER'S ANNUAL SALARY
31 AT THE TIME OF DEATH.

32 (II) IF A MEMBER HAS DESIGNATED MORE THAN ONE
33 BENEFICIARY, THE LUMP-SUM DEATH BENEFIT PROVIDED IN ITEM (I) OF THIS
34 PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE BENEFICIARIES.

35 (b) On the death of a former member or retiree, the Board of Trustees shall
36 pay to the surviving spouse, when the surviving spouse is at least 50 years old, 50% of

1 the retirement allowance that would be payable were the former member or retiree
2 alive and eligible to receive a retirement allowance.

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

5 (i) does not have a spouse; and

6 (ii) has a child under the age of 18 years.

7 (2) Until each child reaches the age of 18 years, the Board of Trustees
8 shall pay to the surviving children of the member, former member, or retiree who are
9 under the age of 18 years the retirement allowance that would have been paid to a
10 surviving spouse under subsection (a) or (b) of this section.

11 (3) If the Board of Trustees pays an allowance to more than one child, the
12 Board of Trustees shall divide the allowance equally among the children who are
13 under the age of 18 years.

14 27-405.

15 (a) If a member's service is terminated by death and the member leaves no
16 [spouse or] SPOUSE, child under the age of 18 years, OR DESIGNATED BENEFICIARY
17 OR BENEFICIARIES, the member's accumulated contributions shall be paid to the
18 member's estate.

19 (b) (1) At the time of termination of service, or within 6 months thereafter,
20 but before receiving payment of a retirement allowance, a former member may elect
21 to withdraw in a single payment the former member's accumulated contributions
22 from the dates of payment.

23 (2) If the former member elects to withdraw the accumulated
24 contributions, the former member has no further rights under the Judges' Retirement
25 System.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 July 1, 2002.