SENATE BILL 497

K4 0lr1313

By: **Senator McFadden**
Introduced and read first time: February 3, 2010
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of repealing a certain benefit that is payable on behalf of certain
4   members of the State Retirement and Pension System under certain
5   circumstances; requiring the Board of Trustees of the State Retirement and
6   Pension System to pay a certain death benefit on behalf of certain retirees if the
7   retirees die under certain circumstances; requiring the Board of Trustees to
8   make certain offsets to certain benefits under certain circumstances; providing
9   for the application of this Act; and generally relating to death benefits payable
10   on behalf of retirees of the State Retirement and Pension System.

11 BY repealing and reenacting, with amendments,
12   Article – State Personnel and Pensions
13   Section 21–401
14   Annotated Code of Maryland
15   (2009 Replacement Volume and 2009 Supplement)

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

Article – State Personnel and Pensions

19 21–401.

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

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

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

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

6   (b)   To elect an optional form of allowance, a member shall:

7   (1)   complete the appropriate form that the Board of Trustees provides;
8   and

9   (2)   file the form with the Board of Trustees before the first allowance
10   payment normally becomes due.

11   (c)   A member who has elected an optional form of allowance may change the
12   election only if the member notifies the Board of Trustees before the first allowance
13   payment normally becomes due.

14   **[**(d)   If a member dies before the effective date of retirement, the Board of
15   Trustees shall pay the benefits payable on the member's behalf as if the member had
16   not elected an optional form of allowance.**]**

17   **(D)   (1)   THIS SUBSECTION APPLIES TO A RETIREE WHO:**

18   **(I)   IS A RETIREE OF THE EMPLOYEES' RETIREMENT**
19   **SYSTEM, THE TEACHERS' RETIREMENT SYSTEM, THE CORRECTIONAL**
20   **OFFICERS' RETIREMENT SYSTEM, THE EMPLOYEES' PENSION SYSTEM, OR THE**
21   **TEACHERS' PENSION SYSTEM;**

22   **(II)   DIES ON OR BEFORE 30 DAYS AFTER THE RETIREE'S**
23   **EFFECTIVE DATE OF RETIREMENT FROM THE STATE SYSTEM OF THE RETIREE;**
24   **AND**

25   **(III)   AT THE TIME OF RETIREMENT, SELECTED THE BASIC**
26   **ALLOWANCE UNDER THE STATE SYSTEM OF THE RETIREE.**

27   **(2)   (I)   A RETIREE UNDER PARAGRAPH (1) OF THIS**
28   **SUBSECTION SHALL BE CONSIDERED AS DYING WHILE EMPLOYED AS A MEMBER**
29   **OF THE STATE SYSTEM FROM WHICH THE RETIREE RETIRED.**

30   **(II)   THE BOARD OF TRUSTEES SHALL PAY THE BENEFITS**
31   **PAYABLE ON THE RETIREE'S BEHALF AS PROVIDED UNDER § 29–202, § 29–205,**
32   **OR § 29–206 OF THIS ARTICLE.**

1   **(3)**   T**HE** B**OARD OF** T**RUSTEES SHALL OFFSET ANY RETIREMENT**
2 **ALLOWANCE PAYMENTS MADE TO THE RETIREE PRIOR TO THE RETIREE'S**
3 **DEATH AGAINST ANY AMOUNTS PAYABLE UNDER § 29–202, § 29–205, OR §**
4 **29–206 OF THIS ARTICLE.**

5   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
6 construed to apply retroactively and shall be applied to and interpreted to affect the
7 surviving spouse of any retiree who retired on or after March 1, 2008, from the
8 Employees' Pension System and died within 30 days of retiring.

9   SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 July 1, 2010.