

SENATE BILL 345

K4

6lr1598
CF HB 382

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

Introduced and read first time: January 28, 2016

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Optional Retirement Allowances –**
3 **Designated Beneficiaries**

4 FOR the purpose of repealing as redundant certain language relating to members of the
5 Judges' Retirement System designating multiple beneficiaries under a certain
6 optional retirement allowance in the State Retirement and Pension System;
7 clarifying that certain members of the State Retirement and Pension System may
8 designate multiple beneficiaries under certain optional retirement allowances; and
9 generally relating to optional retirement allowances for members of the State
10 Retirement and Pension System.

11 BY repealing and reenacting, with amendments,
12 Article – State Personnel and Pensions
13 Section 21–403(a) and (d)
14 Annotated Code of Maryland
15 (2015 Replacement Volume)

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

18 **Article – State Personnel and Pensions**

19 21–403.

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

23 (i) to the designated beneficiary; or

24 (ii) if there is no designated beneficiary, to the retiree's estate.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) (i) At the time of retirement, a member [of the Judges' Retirement
2 System described in § 21-401(a)(2) of this subtitle] may designate more than one
3 beneficiary for the optional benefit provided in paragraph (1) of this subsection.

4 (ii) If, at the time of retirement, a member [of the Judges'
5 Retirement System] does designate more than one beneficiary for the optional benefit
6 provided in paragraph (1) of this subsection, the single payment will be paid in equal shares
7 to each of the designated beneficiaries.

8 (d) (1) Under Option 4, if a retiree dies before receiving payments equal to the
9 value of the retiree's accumulated contributions at the time of retirement, the Board of
10 Trustees shall pay the balance as a single payment:

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

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

13 (2) (I) **AT THE TIME OF RETIREMENT, A MEMBER MAY DESIGNATE
14 MORE THAN ONE BENEFICIARY FOR THE OPTIONAL BENEFIT PROVIDED IN
15 PARAGRAPH (1) OF THIS SUBSECTION.**

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

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
21 1, 2016.