

SENATE BILL 913

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

Introduced and read first time: February 3, 2017

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of allowing a certain surviving dependent parent of a member of the
4 Correctional Officers' Retirement System to participate in the State Employee and
5 Retiree Health and Welfare Benefits Program if the surviving dependent parent
6 receives a certain allowance; altering the requirements for a certain surviving minor
7 child to participate in the State Employee and Retiree Health and Welfare Benefits
8 Program if the surviving child receives a certain allowance; altering the distribution
9 of certain survivor benefits to surviving children of certain members of the State
10 Retirement and Pension System; requiring a surviving disabled child to receive
11 certain survivor benefits; allowing a certain death benefit to be paid if certain special
12 death benefits are waived by certain individuals; altering the distribution of certain
13 special death benefits to certain surviving children of certain members of the State
14 Retirement and Pension System; requiring a surviving disabled child to receive
15 certain special death benefits; providing for the distribution of certain special death
16 benefits to surviving children; requiring a surviving dependent parent to receive
17 certain special death benefits; requiring certain death benefits to be paid if the
18 payment of certain special death benefits are waived by certain individuals; making
19 conforming changes; providing for the application of this Act; and generally relating
20 to death benefits in the State Retirement and Pension System.

21 BY repealing and reenacting, with amendments,
22 Article – State Personnel and Pensions
23 Section 2–507, 24–403, 26–402, 27–403, 29–202, 29–203, 29–204, 29–204.1, and
24 29–204.2
25 Annotated Code of Maryland
26 (2015 Replacement Volume and 2016 Supplement)

27 BY repealing and reenacting, without amendments,
28 Article – State Personnel and Pensions
29 Section 29–201

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2015 Replacement Volume and 2016 Supplement)

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

5 **Article – State Personnel and Pensions**

6 2–507.

7 (a) Subject to the regulations adopted under § 2–503 of this subtitle, a State
8 employee may enroll and participate in any of the health insurance or other benefit options
9 established under the Program.

10 (b) The surviving spouse of a State employee who died while employed by the
11 State may enroll and participate in the health insurance benefit options established under
12 the Program as long as the surviving spouse:

13 (1) is receiving an allowance under Title 29, Subtitle 2 of this article; or

14 (2) is the sole primary designated beneficiary and receiving a periodic
15 distribution of benefits under an optional retirement program under Title 30 of this article.

16 (c) The surviving [minor] child or dependent parent of a State Police officer who
17 died while employed by the State may enroll and participate in the health insurance benefit
18 options established under the Program as long as the child or parent is receiving an
19 allowance under Title 29, Subtitle 2 of this article.

20 (d) The surviving [minor] child **OR DEPENDENT PARENT** of a correctional officer
21 who at the time of death was a member of the Correctional Officers' Retirement System
22 and who died while employed by the State may enroll and participate in the health
23 insurance benefit options established under the Program as long as the child **OR PARENT**
24 is receiving an allowance under Title 29, Subtitle 2 of this article.

25 (e) The surviving [minor] child or dependent parent of a State employee who at
26 the time of death was a member of the Employees' Retirement System, Employees' Pension
27 System, Teachers' Retirement System, or Teachers' Pension System and who was killed
28 while employed by the State may enroll and participate in the health insurance benefit
29 options established under the Program as long as the child or parent is receiving an
30 allowance under Title 29, Subtitle 2 of this article.

31 24–403.

32 (a) This section applies only to a retiree who has retired with a service retirement
33 allowance or a disability retirement allowance or a former member who has retired with a
34 deferred vested allowance.

1 (b) On the death of a retiree or former member, the Board of Trustees shall pay
2 80% of the retiree's retirement allowance:

3 (1) to the surviving spouse; or

4 (2) if there is [not a] **NO** surviving spouse [or], if the surviving spouse dies
5 before the youngest child is [18] **26** years old, **OR THERE IS A SURVIVING DISABLED**
6 **CHILD**, to any children of the deceased retiree [who are under 18 years of age] **IN**
7 **ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.**

8 (c) (1) [If] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
9 **SUBSECTION, IF** the Board of Trustees pays an allowance to more than one child, the Board
10 of Trustees shall divide the allowance **EQUALLY** among the children [under the age of 18
11 years] in a manner that provides for payments to continue until [each child dies or becomes
12 18 years old]:

13 (I) **ALL SURVIVING CHILDREN HAVE DIED; OR**

14 (II) **THE YOUNGEST SURVIVING CHILD BECOMES 26 YEARS OLD.**

15 (2) (I) **IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER**
16 **PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7)**
17 **OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE**
18 **DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE**
19 **ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:**

20 1. **ALL OTHER NONDISABLED SURVIVING CHILDREN**
21 **HAVE DIED; OR**

22 2. **THE YOUNGEST NONDISABLED SURVIVING CHILD**
23 **BECOMES 26 YEARS OLD.**

24 (II) **IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS**
25 **DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE**
26 **PAYABLE UNDER THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE**
27 **DISABLED CHILDREN.**

28 26-402.

29 (a) This section applies to the surviving spouse or a child of a retiree in receipt of
30 a service retirement allowance or a disability retirement allowance.

31 (b) On the death of a retiree, the Board of Trustees shall pay 50% of the retiree's
32 retirement allowance to:

1 (1) the surviving spouse; or

2 (2) if there is no surviving spouse [or], if the surviving spouse dies before
3 the youngest child of the retiree is [18] **26** years old, [all] **OR THERE IS A SURVIVING**
4 **DISABLED CHILD, ANY** children of the deceased retiree [who are under 18 years old] **IN**
5 **ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.**

6 (c) (1) [If] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
7 **SUBSECTION, IF** the Board of Trustees pays an allowance to more than one child, the Board
8 of Trustees shall divide the allowance **EQUALLY** among the children [under the age of 18
9 years] in a manner that provides for payments to continue until [each child dies]:

10 (I) **ALL SURVIVING CHILDREN HAVE DIED; or**

11 (II) **THE YOUNGEST SURVIVING CHILD** becomes [18] **26** years old.

12 (2) (I) **IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER**
13 **PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7)**
14 **OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE**
15 **DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE**
16 **ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:**

17 1. **ALL OTHER NONDISABLED SURVIVING CHILDREN**
18 **HAVE DIED; OR**

19 2. **THE YOUNGEST NONDISABLED SURVIVING CHILD**
20 **BECOMES 26 YEARS OLD.**

21 (II) **IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS**
22 **DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE**
23 **PAYABLE UNDER THIS PARAGRAPH SHALL BE DIVIDED EQUALLY AMONG THE**
24 **DISABLED CHILDREN.**

25 27-403.

26 (a) (1) Except as provided in paragraph (2) of this subsection, on the death of
27 a member, the Board of Trustees shall pay to the surviving spouse 50% of the retirement
28 allowance that would be payable were the member alive and eligible to receive a retirement
29 allowance.

30 (2) (i) If at the time of death the member does not have a surviving
31 spouse, the Board of Trustees shall pay to the member's designated beneficiary or
32 beneficiaries a lump-sum death benefit consisting of the sum of:

33 1. the member's accumulated contributions; and

1 **2. THE YOUNGEST NONDISABLED SURVIVING CHILD**
2 **BECOMES 26 YEARS OLD.**

3 **(III) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS**
4 **DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE**
5 **PAYABLE UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH SHALL BE DIVIDED**
6 **EQUALLY AMONG THE DISABLED CHILDREN.**

7 29–201.

8 This subtitle does not apply to the Judges' Retirement System.

9 29–202.

10 (a) (1) When the Board of Trustees receives proof of death of an individual who
11 died while employed as a member, the Board of Trustees shall pay to the designated
12 beneficiary or, if there is no designated beneficiary, to the member's estate the amounts
13 specified in this subsection.

14 (2) Subject to paragraph (1) of this subsection, the Board of Trustees shall
15 pay the member's accumulated contributions.

16 (3) Subject to paragraph (1) of this subsection, the Board of Trustees shall
17 pay an amount equal to the member's annual earnable compensation at death if the
18 member dies in the course of the performance of duty or the member has at least 1 year of
19 eligibility service.

20 (b) (1) A death benefit under this section may not be paid for the death of a
21 member of the State Police Retirement System if a special death benefit under § 29–204 of
22 this subtitle is [payable or has been] paid for that death.

23 (2) A death benefit under this section may not be paid for the death of a
24 member of the Correctional Officers' Retirement System if a special death benefit under §
25 29–204.1 of this subtitle is [payable or has been] paid for that death.

26 (3) A death benefit under this section may not be paid for the death of a
27 member of the Employees' Retirement System, Employees' Pension System, Teachers'
28 Retirement System, or Teachers' Pension System if a special death benefit under §
29 29–204.2 of this subtitle is [payable or has been] paid for that death.

30 (4) A death benefit under this section may not be paid for the death of a
31 member of the Law Enforcement Officers' Pension System if a special death benefit under
32 § 29–203 of this subtitle is [payable or has been] paid for that death.

1 **(5) IF ALL INDIVIDUALS WHO ARE ELIGIBLE FOR A SPECIAL DEATH**
2 **BENEFIT UNDER § 29–203, § 29–204, § 29–204.1, OR § 29–204.2 ELECT TO WAIVE THE**
3 **PAYMENT OF A SPECIAL DEATH BENEFIT, A BENEFIT SHALL BE PAID IN**
4 **ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.**

5 (c) The Board of Trustees may provide the death benefit as group life insurance
6 if the Board of Trustees finds that the designated beneficiaries would receive a more
7 favorable tax treatment of the death benefit.

8 29–203.

9 (a) (1) This subsection applies only to an individual who dies while employed
10 as a member of the Law Enforcement Officers' Pension System:

11 (i) without willful negligence by the member; and

12 (ii) with more than 2 years of eligibility service.

13 (2) When the Board of Trustees receives proof of death of a member and
14 finds that the death has occurred in the manner described in paragraph (1) of this
15 subsection, the Board of Trustees shall pay:

16 (i) if the member is survived by a spouse [or], A child under the age
17 of [18] **26** years, **A DISABLED CHILD, OR A DEPENDENT PARENT:**

18 1. the member's accumulated contributions to the designated
19 beneficiary, or otherwise to the member's estate; and

20 2. an allowance of 50% of the ordinary disability retirement
21 allowance provided for in § 29–108 of this title:

22 A. to the surviving spouse; [or]

23 B. if there is no surviving spouse or if the surviving spouse
24 dies before the youngest child of the member is [18] **26** years old, to [any] **ALL** children of
25 the deceased member [who are under the age of 18 years; or] **IN ACCORDANCE WITH**
26 **SUBSECTION (C) OF THIS SECTION;**

27 C. **IF THERE IS NO SURVIVING SPOUSE OR NO CHILD**
28 **YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE**
29 **WITH SUBSECTION (C) OF THIS SECTION; OR**

30 D. **IF THERE IS NO SURVIVING SPOUSE, NO CHILD**
31 **YOUNGER THAN 26 YEARS OF AGE, OR NO DISABLED CHILD, TO THE MEMBER'S**

1 **DEPENDENT PARENT TO CONTINUE AS THE BOARD OF TRUSTEES MAY DIRECT FOR**
2 **THE REST OF THE PARENT'S LIFE; OR**

3 (ii) if the member is not survived by a spouse [or], A child under the
4 age of [18] **26** years, **A DISABLED CHILD, OR A DEPENDENT PARENT**, the death benefit
5 under § 29–202 of this subtitle.

6 (b) (1) This subsection applies only to an individual who dies while employed
7 as a member of the Law Enforcement Officers' Pension System:

8 (i) without willful negligence by the member; and

9 (ii) with death arising out of or in the course of the actual
10 performance of duty.

11 (2) When the Board of Trustees receives proof of death of a member and
12 finds that the death has occurred in the manner described in paragraph (1) of this
13 subsection, the Board of Trustees shall pay:

14 (i) if the member is survived by a spouse [or], A child under the age
15 of 26 years, **A DISABLED CHILD, OR A DEPENDENT PARENT**:

16 1. the member's accumulated contributions to the designated
17 beneficiary, or otherwise to the member's estate; and

18 2. an allowance of two-thirds of the member's average final
19 compensation:

20 A. to the surviving spouse; [or]

21 B. if there is no surviving spouse or if the surviving spouse
22 dies before the youngest child of the member is 26 years old, to any children of the deceased
23 member [who are under the age of 26 years; or] **IN ACCORDANCE WITH SUBSECTION (C)**
24 **OF THIS SECTION;**

25 C. **IF THERE IS NO SURVIVING SPOUSE OR NO CHILD**
26 **YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE**
27 **WITH SUBSECTION (C) OF THIS SECTION; OR**

28 D. **IF THERE IS NO SURVIVING SPOUSE, NO CHILD**
29 **YOUNGER THAN 26 YEARS OF AGE, OR NO DISABLED CHILD, TO THE MEMBER'S**
30 **DEPENDENT PARENT TO CONTINUE AS THE BOARD OF TRUSTEES MAY DIRECT FOR**
31 **THE REST OF THE PARENT'S LIFE; OR**

1 (ii) if the member is not survived by a spouse [or], A child under the
2 age of 26 years, **A DISABLED CHILD, OR A DEPENDENT PARENT**, the death benefit under
3 § 29–202 of this subtitle.

4 (c) (1) **[If] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
5 **SUBSECTION, IF** the Board of Trustees pays an allowance under [subsection (a) of] this
6 section to more than one child, the Board of Trustees shall divide the allowance among the
7 children [under the age of 18 years] in a manner that provides for payments to continue
8 until [each child dies or becomes 18 years old]:

9 (I) **ALL SURVIVING CHILDREN HAVE DIED; OR**

10 (II) **THE YOUNGEST SURVIVING CHILD BECOMES 26 YEARS OLD.**

11 (2) (I) **IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER**
12 **PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7)**
13 **OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE**
14 **DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE**
15 **ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:**

16 1. **ALL OTHER NONDISABLED SURVIVING CHILDREN**
17 **HAVE DIED; OR**

18 2. **THE YOUNGEST NONDISABLED SURVIVING CHILD**
19 **BECOMES 26 YEARS OLD.**

20 (II) **IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS**
21 **DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE**
22 **PAYABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DIVIDED**
23 **EQUALLY AMONG THE DISABLED CHILDREN.**

24 [(2) If the Board of Trustees pays an allowance under subsection (b) of this
25 section to more than one child, the Board of Trustees shall divide the allowance among the
26 children under the age of 26 years in a manner that provides for payments to continue until
27 each child dies or becomes 26 years old.]

28 (D) **BEFORE THE PAYMENT OF ANY SPECIAL DEATH BENEFIT IS MADE**
29 **UNDER THIS SECTION, IF ALL INDIVIDUALS ELIGIBLE FOR A SPECIAL DEATH**
30 **BENEFIT UNDER THIS SECTION ELECT TO WAIVE THE PAYMENT OF THE SPECIAL**
31 **DEATH BENEFIT, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH § 29–202(A) OF**
32 **THIS SUBTITLE.**

33 29–204.

1 (a) (1) This subsection applies only to an individual who dies while employed
2 as a member of the State Police Retirement System:

3 (i) without willful negligence by the member; and

4 (ii) with more than 2 years of eligibility service.

5 (2) When the Board of Trustees receives proof of death of a member and
6 finds that the death has occurred in the manner described in paragraph (1) of this
7 subsection, the Board of Trustees shall pay:

8 (i) if the member is survived by a spouse, a child under the age of
9 **[18] 26** years, **A DISABLED CHILD**, or a dependent parent:

10 1. the member's accumulated contributions to the designated
11 beneficiary, or otherwise to the member's estate; and

12 2. an allowance of 50% of the member's average final
13 compensation:

14 A. to the surviving spouse;

15 B. if there is no surviving spouse or if the surviving spouse
16 dies before the youngest child of the member is **[18] 26** years old, to all children **[under the**
17 **age of 18 years; or] OF THE DECEASED MEMBER IN ACCORDANCE WITH SUBSECTION**
18 **(C) OF THIS SECTION;**

19 C. **IF THERE IS NO SURVIVING SPOUSE OR NO CHILD**
20 **YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE**
21 **WITH SUBSECTION (C) OF THIS SECTION; OR**

22 D. if there is no surviving spouse **[or], NO** children younger
23 than **[18] 26** years of age, **OR NO DISABLED CHILD**, to the member's dependent parent to
24 continue as the Board of Trustees may direct for the rest of the parent's life; or

25 (ii) if the member is not survived by a spouse, a child under the age
26 of **[18] 26** years, **A DISABLED CHILD**, or a dependent parent, the death benefit under §
27 29–202 of this subtitle.

28 (b) (1) This subsection applies only to an individual who dies while employed
29 as a member of the State Police Retirement System:

30 (i) without willful negligence by the member; and

31 (ii) with death arising out of or in the course of the actual
32 performance of duty.

1 (2) When the Board of Trustees receives proof of death of a member and
2 finds that the death has occurred in the manner described in paragraph (1) of this
3 subsection, the Board of Trustees shall pay:

4 (i) if the member is survived by a spouse, a child under the age of
5 **[18] 26** years, **A DISABLED CHILD**, or a dependent parent:

6 1. the member's accumulated contributions to the designated
7 beneficiary, or otherwise to the member's estate; and

8 2. an allowance of two-thirds of the member's average final
9 compensation:

10 A. to the surviving spouse;

11 B. if there is no surviving spouse or if the surviving spouse
12 dies before the youngest child of the member is **[18] 26** years old, to all children **[under the**
13 **age of 18 years; or] OF THE DECEASED MEMBER IN ACCORDANCE WITH SUBSECTION**
14 **(C) OF THIS SECTION;**

15 C. **IF THERE IS NO SURVIVING SPOUSE OR NO CHILD**
16 **YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE**
17 **WITH SUBSECTION (C) OF THIS SECTION; OR**

18 D. if there is no surviving spouse **[or]**, **NO** children younger
19 than **[18] 26** years of age, **OR NO DISABLED CHILD**, to the member's dependent parent to
20 continue as the Board of Trustees may direct for the rest of the parent's life; or

21 (ii) if the member is not survived by a spouse, a child under the age
22 of **[18] 26** years, **A DISABLED CHILD**, or a dependent parent, the death benefit under §
23 29–202 of this subtitle.

24 (c) **(1) [If] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
25 **SUBSECTION, IF** the Board of Trustees pays an allowance under this section to more than
26 one child, the Board of Trustees shall divide the allowance among the children **[under the**
27 **age of 18 years]** in a manner that provides for payments to continue until **[each child dies**
28 **or becomes 18 years old]:**

29 **(I) ALL SURVIVING CHILDREN HAVE DIED; OR**

30 **(II) THE YOUNGEST SURVIVING CHILD BECOMES 26 YEARS OLD.**

31 **(2) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER**
32 **PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7)**

1 2. if there is no surviving spouse or if the surviving spouse
2 dies before the youngest child of the member is [18] **26** years old, to [any] **ALL** children of
3 the deceased member [who are under the age of 18 years; or] **IN ACCORDANCE WITH**
4 **SUBSECTION (C) OF THIS SECTION;**

5 3. **IF THERE IS NO SURVIVING SPOUSE OR NO CHILD**
6 **YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE**
7 **WITH SUBSECTION (C) OF THIS SECTION; OR**

8 4. **IF THERE IS NO SURVIVING SPOUSE, NO CHILD**
9 **YOUNGER THAN 26 YEARS OF AGE, OR NO DISABLED CHILD, TO THE MEMBER'S**
10 **DEPENDENT PARENT TO CONTINUE AS THE BOARD OF TRUSTEES MAY DIRECT FOR**
11 **THE REST OF THE PARENT'S LIFE; OR**

12 (2) if the member is not survived by a spouse [or], a child under the age of
13 [18] **26** years, **A DISABLED CHILD, OR A DEPENDENT PARENT,** the death benefit under
14 § 29-202 of this subtitle.

15 (c) **(1) [If] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
16 **SUBSECTION, IF** the Board of Trustees pays an allowance under this section to more than
17 one child, the Board of Trustees shall divide the allowance among the children [under the
18 age of 18 years] in a manner that provides for payments to continue until [each child dies
19 or becomes 18 years old]:

20 **(I) ALL SURVIVING CHILDREN HAVE DIED; OR**

21 **(II) THE YOUNGEST SURVIVING CHILD BECOMES 26 YEARS OLD.**

22 **(2) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER**
23 **PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7)**
24 **OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE**
25 **DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE**
26 **ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:**

27 1. **ALL OTHER NONDISABLED SURVIVING CHILDREN**
28 **HAVE DIED; OR**

29 2. **THE YOUNGEST NONDISABLED SURVIVING CHILD**
30 **BECOMES 26 YEARS OLD.**

31 **(II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS**
32 **DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE**

1 PAYABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DIVIDED
2 EQUALLY AMONG THE DISABLED CHILDREN.

3 (D) BEFORE THE PAYMENT OF ANY SPECIAL DEATH BENEFIT IS MADE
4 UNDER THIS SECTION, IF ALL INDIVIDUALS ELIGIBLE FOR A SPECIAL DEATH
5 BENEFIT UNDER THIS SECTION ELECT TO WAIVE THE PAYMENT OF THE SPECIAL
6 DEATH BENEFIT, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH § 29-202(A) OF
7 THIS SUBTITLE.

8 29-204.2.

9 (a) This section applies only to an individual who is killed while a member of the
10 Employees' Retirement System, Employees' Pension System, Teachers' Retirement
11 System, or Teachers' Pension System:

12 (1) without willful negligence by the member; and

13 (2) with death arising out of or in the course of the actual performance of
14 duty.

15 (b) When the Board of Trustees receives proof of death of a member and finds that
16 the death has occurred in the manner described in subsection (a) of this section, the Board
17 of Trustees shall pay:

18 (1) if the member is survived by a spouse, a child under the age of [18] 26
19 years, A DISABLED CHILD, or a dependent parent:

20 (i) the member's accumulated contributions to the designated
21 beneficiary, or otherwise to the member's estate; and

22 (ii) an allowance of two-thirds of the member's average final
23 compensation:

24 1. to the surviving spouse;

25 2. if there is no surviving spouse or if the surviving spouse
26 dies before the youngest child of the member is [18] 26 years old, to all children of the
27 deceased member [who are under the age of 18 years; or] IN ACCORDANCE WITH
28 SUBSECTION (C) OF THIS SECTION;

29 3. IF THERE IS NO SURVIVING SPOUSE OR NO CHILD
30 YOUNGER THAN 26 YEARS OF AGE, TO ALL DISABLED CHILDREN, IN ACCORDANCE
31 WITH SUBSECTION (C) OF THIS SECTION; OR

1 4. if there is no surviving spouse [or children], **NO CHILD**
2 younger than [18] **26** years of age, **OR NO DISABLED CHILD**, to the member's dependent
3 parent to continue as the Board of Trustees may direct for the rest of the parent's life; or

4 (2) if the member is not survived by a spouse, a child under the age of [18]
5 **26** years, **A DISABLED CHILD**, or a dependent parent, the death benefit under § 29–202 of
6 this subtitle.

7 (c) **(1) [If] EXCEPT AS PROVIDED UNDER PARAGRAPH (2) OF THIS**
8 **SUBSECTION, IF** the Board of Trustees pays an allowance under this section to more than
9 one child, the Board of Trustees shall divide the allowance among the children [under the
10 age of 18 years] in a manner that provides for payments to continue until [each child dies
11 or becomes 18 years old]:

12 **(I) ALL SURVIVING CHILDREN HAVE DIED; OR**

13 **(II) THE YOUNGEST SURVIVING CHILD BECOMES 26 YEARS OLD.**

14 **(2) (I) IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER**
15 **PARAGRAPH (1) OF THIS SUBSECTION IS DISABLED, AS DEFINED UNDER § 72(M)(7)**
16 **OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE**
17 **DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE**
18 **ALLOWANCES PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION AFTER:**

19 **1. ALL OTHER NONDISABLED SURVIVING CHILDREN**
20 **HAVE DIED; OR**

21 **2. THE YOUNGEST NONDISABLED SURVIVING CHILD**
22 **BECOMES 26 YEARS OLD.**

23 **(II) IF MORE THAN ONE SURVIVING CHILD IS DISABLED, AS**
24 **DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE ALLOWANCE**
25 **PAYABLE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DIVIDED**
26 **EQUALLY AMONG THE DISABLED CHILDREN.**

27 **(D) BEFORE THE PAYMENT OF ANY SPECIAL DEATH BENEFIT IS MADE**
28 **UNDER THIS SECTION, IF ALL INDIVIDUALS ELIGIBLE FOR A SPECIAL DEATH**
29 **BENEFIT UNDER THIS SECTION ELECT TO WAIVE THE PAYMENT OF THE SPECIAL**
30 **DEATH BENEFIT, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH § 29–202(A) OF**
31 **THIS SUBTITLE.**

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to
33 apply only prospectively and may not be applied or interpreted to have any effect on or

1 application to any death benefits provided for the death of a member of the State
2 Retirement and Pension System that occurred before the effective date of this Act.

3 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
4 1, 2017.