HB0860/994266/1

BY: Appropriations Committee

AMENDMENT TO HOUSE BILL 860

(First Reading File Bill)

On page 3, in line 20, strike "(c) and (d)" and substitute "(D) AND (E)"; in line 21, strike beginning with the first comma through the second "CHILD"; and strike beginning with the comma in line 22 down through "SECTION" in line 23.

On page 4, after line 2, insert:

- "(C) (1) EXCEPT AS PROVIDED IN SUBSECTIONS (D) AND (E) OF THIS SECTION, WHEN THE BOARD OF TRUSTEES RECEIVES PROOF OF A DEATH OF A MEMBER DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION AND THERE IS NO SURVIVING SPOUSE, A CHILD UNDER THE AGE OF 26 YEARS OR A DISABLED CHILD OF THE MEMBER MAY ELECT TO RECEIVE AN ALLOWANCE IN ACCORDANCE WITH THIS SUBSECTION.
- (2) If an election is made under paragraph (1) of this subsection, the Board of Trustees shall pay, in accordance with paragraph (3) of this subsection, an allowance equal to 50% of the basic allowance the member was eligible to receive under Division II of this article to any children of the deceased member who are under the age of 26 years or disabled, as defined under § 72(m)(7) of the Internal Revenue Code.
- (3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF THIS PARAGRAPH, IF THE BOARD OF TRUSTEES PAYS AN ALLOWANCE UNDER THIS SUBSECTION TO MORE THAN ONE CHILD, THE BOARD OF TRUSTEES SHALL

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<u>DIVIDE THE ALLOWANCE AMONG THE CHILDREN IN A MANNER THAT PROVIDES</u> FOR PAYMENTS TO CONTINUE UNTIL:

- 1. EACH CHILD HAS DIED; OR
- 2. EACH CHILD BECOMES 26 YEARS OLD.
- (II) NOTWITHSTANDING SUBPARAGRAPH (I)2 OF THIS PARAGRAPH, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH PAST THE AGE OF 26 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.
- (III) 1. IF A SURVIVING CHILD RECEIVING AN ALLOWANCE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AFTER:
- B. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES 26 YEARS OLD.
- 2. If more than one surviving child is disabled, as defined under § 72(m)(7) of the Internal Revenue Code, the retirement allowance payable under subsubparagraph 1 of this subparagraph shall be divided equally among the disabled children.

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(4) BEFORE THE PAYMENT OF AN ALLOWANCE UNDER THIS SUBSECTION, IF ALL INDIVIDUALS WHO ARE ELIGIBLE TO RECEIVE A DEATH BENEFIT UNDER THIS SUBSECTION ELECT TO WAIVE THE PAYMENT OF AN ALLOWANCE, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH § 29–202(A) OF THIS SUBTITLE.";

in line 3, strike "(c)" and substitute "(D)"; and in line 6, strike "(d)" and substitute "(E)".

On pages 4 and 5, strike in their entirety the lines beginning with line 9 on page 4 through line 13 on page 5, inclusive.

On page 5, in line 23, after "WHO" insert ":

1. WAS NOT SUBJECT TO THE REFORMED CONTRIBUTORY PENSION BENEFIT AND";

in line 24, after "SERVICE" insert "; OR

2. WAS SUBJECT TO THE REFORMED CONTRIBUTORY
PENSION BENEFIT AND WAS AT LEAST 60 YEARS OLD WITH AT LEAST 15 YEARS
OF ELIGIBILITY SERVICE";

in line 25, strike "(c)" and substitute "(D)"; in line 26, strike beginning with the first comma through the second "CHILD"; and strike beginning with the comma in line 27 down through "SECTION" in line 28.

On page 6, after line 8, insert:

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- "(C) (1) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, WHEN THE BOARD OF TRUSTEES RECEIVES PROOF OF A DEATH OF A MEMBER DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION AND THERE IS NO SURVIVING SPOUSE, A CHILD UNDER THE AGE OF 26 YEARS OR A DISABLED CHILD OF THE MEMBER MAY ELECT TO RECEIVE AN ALLOWANCE IN ACCORDANCE WITH THIS SUBSECTION.
- (2) If an election is made under paragraph (1) of this subsection, the Board of Trustees shall pay, in accordance with paragraph (3) of this subsection, an allowance equal to 50% of the basic allowance the member was eligible to receive under Division II of this article to any children of the deceased member who are under the age of 26 years or disabled, as defined under § 72(m)(7) of the Internal Revenue Code.
- (3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF THIS PARAGRAPH, IF THE BOARD OF TRUSTEES PAYS AN ALLOWANCE UNDER THIS SUBSECTION TO MORE THAN ONE CHILD, THE BOARD OF TRUSTEES SHALL DIVIDE THE ALLOWANCE AMONG THE CHILDREN IN A MANNER THAT PROVIDES FOR PAYMENTS TO CONTINUE UNTIL:
 - 1. EACH CHILD HAS DIED; OR
 - 2. EACH CHILD BECOMES 26 YEARS OLD.
- (II) NOTWITHSTANDING SUBPARAGRAPH (I)2 OF THIS PARAGRAPH, A SURVIVING CHILD WHO IS DISABLED SHALL CONTINUE TO RECEIVE AN ALLOWANCE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH PAST THE AGE OF 26 YEARS, IF THE CHILD CONTINUES TO BE DISABLED.

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- UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS DISABLED, AS DEFINED UNDER § 72(M)(7) OF THE INTERNAL REVENUE CODE, THE BOARD OF TRUSTEES SHALL PAY TO THE DISABLED SURVIVING CHILD AN ALLOWANCE EQUAL TO THE TOTAL OF THE ALLOWANCES PAID UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AFTER:
- A. ALL OTHER NONDISABLED SURVIVING CHILDREN
 HAVE DIED; OR
- B. THE YOUNGEST NONDISABLED SURVIVING CHILD BECOMES 26 YEARS OLD.
- 2. If more than one surviving child is disabled, as defined under § 72(m)(7) of the Internal Revenue Code, the retirement allowance payable under subsubparagraph 1 of this subparagraph shall be divided equally among the disabled children.
- (4) BEFORE THE PAYMENT OF AN ALLOWANCE UNDER THIS SUBSECTION, IF ALL INDIVIDUALS WHO ARE ELIGIBLE TO RECEIVE A DEATH BENEFIT UNDER THIS SUBSECTION ELECT TO WAIVE THE PAYMENT OF AN ALLOWANCE, A BENEFIT SHALL BE PAID IN ACCORDANCE WITH § 29–202(A) OF THIS SUBTITLE.";

and in line 9, strike "(c)" and substitute "(D)".

On pages 6 and 7, strike in their entirety the lines beginning with line 12 on page 6 through line 17 on page 7, inclusive.