

SENATE BILL 462

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

Introduced and read first time: January 28, 2020

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Death Benefits for Children – Age**

3 FOR the purpose of altering certain provisions of law related to the age until which certain
4 survivor benefits for surviving children of certain members of the State Retirement
5 and Pension System are available; making corrective and technical changes; and
6 generally relating to death benefits in the State Retirement and Pension System.

7 BY repealing and reenacting, with amendments,

8 Article – State Personnel and Pensions

9 Section 21–401(a), 24–401.1(i), 26–401.1(i), 27–404, 27–405, and 29–301(d)

10 Annotated Code of Maryland

11 (2015 Replacement Volume and 2019 Supplement)

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

14 **Article – State Personnel and Pensions**

15 21–401.

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

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

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

22 (ii) the Judges’ Retirement System only if, at retirement, the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 member does not have a spouse or child under the age of [18] **26** years.

2 24-401.1.

3 (i) (1) Subject to paragraphs (2), (3), and (4) of this subsection, on termination
4 of a DROP member's participation in the DROP, the Board of Trustees shall pay to the
5 DROP member or, if the DROP member has died, the designated beneficiary of the DROP
6 member, the amount accrued in the DROP for the DROP member under subsection (h)(2)
7 of this section, reduced by any withholding taxes remitted to the Internal Revenue Service
8 or other taxing authority, in a lump sum.

9 (2) The designated beneficiary of a DROP member is:

10 (i) the DROP member's surviving spouse;

11 (ii) if there is not a surviving spouse or if the surviving spouse dies
12 [before the youngest child is 18 years old], each child of the deceased DROP member who
13 is under [18] **26** years old; or

14 (iii) if there is not a surviving spouse or a child who is under [18] **26**
15 years old, the DROP member's designated beneficiary.

16 26-401.1.

17 (i) (1) Subject to paragraphs (2), (3), and (4) of this subsection, on termination
18 of a DROP member's participation in the DROP, the Board of Trustees shall pay to the
19 DROP member or, if the DROP member has died, the designated beneficiary of the DROP
20 member, the amount accrued in the DROP for the DROP member under subsection (h)(2)
21 of this section, reduced by any withholding taxes remitted to the Internal Revenue Service
22 or other taxing authority, in a lump sum.

23 (2) The designated beneficiary of a DROP member is:

24 (i) the DROP member's surviving spouse;

25 (ii) if there is not a surviving spouse or if the surviving spouse dies
26 [before the youngest child is 18 years old], each child of the deceased DROP member who
27 is under [18] **26** years old; or

28 (iii) if there is not a surviving spouse or a child who is under [18] **26**
29 years old, the DROP member's designated beneficiary.

30 27-404.

31 Except for a retiree who elects an optional form of an allowance under §§ 21-401 and
32 21-402 of this article, payment of an allowance ends and further rights may not arise from

1 service as a member if:

2 (1) a member, former member, or retiree dies; and

3 (2) (i) the member, former member, or retiree leaves no surviving
4 spouse or children under the age of [18] 26 years;

5 (ii) the surviving spouse dies and there are no children of the
6 member, former member, or retiree, who are under the age of [18] 26 years; or

7 (iii) the last of any children under the age of [18] 26 years becomes
8 [18] 26 years old or dies before becoming [18] 26 years old.

9 27–405.

10 If a member's service is terminated by death and the member leaves no spouse, child
11 under the age of [18] 26 years, or designated beneficiary or beneficiaries, the member's
12 accumulated contributions shall be paid to the member's estate.

13 29–301.

14 (d) A vested allowance:

15 (1) is computed as a retirement allowance under § 27–402 of this article on
16 the basis of the former member's creditable service at the time of separation from
17 employment; and

18 (2) may be paid in one of the optional forms of allowances under § 21–403
19 of this article, if at retirement, the member does not have a spouse or child under the age
20 of [18] 26.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2020.