

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 768
Appropriations

(Delegate D. Jones)

Budget and Taxation

Judges' Retirement System - Special Death Benefit

This bill establishes a line-of-duty death benefit that is payable to the surviving spouse or dependents of a member of the Judges' Retirement System (JRS) who is killed without willful negligence by the member and with death arising out of or in the course of the actual performance of duty. It also establishes a similar retroactive benefit for the surviving spouse of a JRS member killed in the line of duty prior to the bill's effective date. A surviving child or dependent parent of a JRS member killed in the line of duty may enroll and participate in the State health insurance plan. **The bill takes effect June 1, 2024.**

Fiscal Summary

State Effect: Since it is assumed that the bill applies in a limited number of cases, there is no discernible effect on State pension liabilities or contribution rates. The State Retirement Agency is aware of one individual to whom the retroactive benefit may apply. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary:

Line-of-duty Death Benefit

The line-of-duty death benefit consists of (1) the member's accumulated contributions and (2) an allowance equal to two-thirds of the member's final compensation. The benefit is

paid first to the surviving spouse or, if there is no surviving spouse, to any surviving children who are younger than age 26 or disabled, as specified. If there are no surviving children, the benefit is paid to a dependent parent.

Before any line-of-duty death benefit is paid, all eligible individuals may waive payment of the benefit and instead receive the death benefit paid under current law. The line-of-duty benefit cannot be paid if the death benefit under current law is paid.

Retroactive Benefit

The retroactive benefit is payable to the surviving spouse of a JRS member who is killed before the bill's effective date (1) without willful negligence by the member and (2) with death arising out of or in the course of the actual performance of duties. By December 31, 2024, a surviving spouse may request that the Board of Trustees of the State Retirement and Pension System (SRPS) award the line-of-duty death benefit established by the bill.

The benefit must include a lump-sum payment of the benefit that would have been paid from the member's death through the date that the board awards the line-of-duty death benefit, with interest. However, it must be reduced by the amount of any death benefits paid under current law, with interest.

Health Insurance Benefits

The surviving child or dependent parent of a member of JRS who died while employed with the State may enroll and participate in the health insurance options established under the State Employee and Retiree Health and Welfare Benefits Program (the State Plan), as long as the child or parent is receiving a survivor benefit allowance.

Current Law: When an active JRS member dies, the SRPS board must pay the surviving spouse 50% of the retirement allowance that would be payable if the member were alive and eligible to receive a retirement allowance. If there is no surviving spouse or children who are younger than age 26 or disabled, the SRPS board must pay to the member's designated beneficiary a lump-sum death benefit consisting of (1) the member's accumulated contributions and (2) an amount equal to the member's annual salary at the time of death. If there is more than one designated beneficiary, the lump-sum payment is divided equally among them.

State pension law includes special line-of-duty death benefits for surviving spouses of members of the Employees' Combined System (ECS), Teachers' Combined System (TCS), Correctional Officers' Retirement System (CORS), Law Enforcement Officers'

Pension System (LEOPS), and State Police Retirement System (SPRS); the benefits are identical to the line-of-duty death benefits paid under the bill.

The surviving spouse of a State employee who died while employed by the State may enroll and participate in the State Plan as long as the spouse is receiving a survivor benefit allowance or is the sole primary beneficiary and is receiving a periodic distribution of benefits under the Optional Retirement Plan. Similarly, the surviving children or dependent parents of members of ECS, TCS, CORS, LEOPS, and SPRS who die while employed by the State may also enroll and participate in the State Plan if they are receiving a survivor benefit allowance.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 604 (Senator Corderman, *et al.*) - Budget and Taxation.

Information Source(s): State Retirement Agency; Department of Budget and Management; Department of Legislative Services

Fiscal Note History: First Reader - February 6, 2024
js/ljm Third Reader - March 14, 2024

Analysis by: Michael C. Rubenstein

Direct Inquiries to:
(410) 946-5510
(301) 970-5510