

Testimony in Support of Senate Bill 274 JCP Deceas

Uploaded by: Anne Gawthrop

Position: FAV



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**Testimony in Support of Senate Bill 274
State Retirement and Pension System - Nonvested Former Members - Return of
Accumulated Contributions
Senate Budget and Taxation Committee**

**February 2, 2023
9:00 A.M.**

**Anne Gawthrop
Director of Legislative Affairs
State Retirement Agency**

The Board of Trustees for the State Retirement and Pension System wishes to express its support for Senate Bill 274 State Retirement and Pension System - Nonvested Former Members - Return of Accumulated Contributions. Senate Bill 274 is legislation sponsored by the Joint Committee on Pensions at the request of the Board.

This legislation is technical and clarifying. The State Retirement Agency (Agency) has determined that there currently is not a provision in the State Personnel and Pensions Article that authorizes the Agency to refund the member contributions of a deceased non-vested former member to the deceased member's designated beneficiary, or if there is no beneficiary, to the deceased member's estate. Current provisions of the State Personnel and Pensions Article allow for the distribution of member contributions of a deceased former member, if the member was vested in one of the several systems at the time of death. When the Agency has been faced with the death of a non-vested former member, the current practice of the Agency has been to make such a distribution to the designated beneficiary of a deceased non-vested member, or if there is not a designated beneficiary, to the deceased former member's estate. Senate Bill 274 codifies the Agency's current practice, addressing this inconsistency in existing law.

We appreciate being given this opportunity to express our support to the Committee for this legislation and would request a favorable report on Senate Bill 274.

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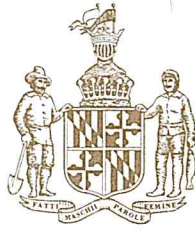
Martin Noven, *Secretary to the Board*

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TESTIMONY – SENATE BILL 274

***STATE RETIREMENT AND PENSION SYSTEM – NONVESTED
FORMER MEMBERS – RETURN OF ACCUMULATED
CONTRIBUTIONS***

BUDGET & TAXATION COMMITTEE

FEBRUARY 2, 2023

Fellow Committee Members:

Senate Bill 274 codifies the ability of the Board of Trustees for the State Retirement and Pension System to pay the accumulated contributions of an unvested former member of the system to the designated beneficiary (or the estate of the former member) after receiving the related proof of the death. This is a straightforward piece of legislation that simply provides some needed clarification and clear direction for the Board of Trustees for the State Retirement and Pension System.

For the reasons listed above, I ask for a favorable report of Senate Bill 274.