

OF THAT DESIGNATED PERSON, THE RETIRED MEMBER SHALL RECEIVE THE ALLOWANCE AS IF NO OPTIONAL FORM OF PAYMENT WAS ELECTED AT THE TIME OF RETIREMENT.

(2) IF A RETIRED MEMBER ELECTS TO CHANGE A BENEFICIARY, THE ALLOWANCE FOR A SUBSEQUENT ELECTION SHALL BE COMPUTED ON THE VALUE OF THE BALANCE IN THE RETIRED MEMBER'S RESERVES AT THE TIME THE CHANGE IN BENEFICIARY IS MADE.

[(k)] (L) Upon the receipt of proper proofs of the death of a member in service, there shall be paid to the member's estate or to any person having an insurable interest in the life of the deceased that the member has nominated by written designation duly executed and filed with the board of trustees:

(1) The member's accumulated contributions; and

(2) If the member has more than 1 year of creditable service, an amount equal to the member's annual earnable compensation at the time of death.

[(l)] (M) (1) Upon the receipt of proper proofs of the death of a member in service who had more than 2 years of creditable service [and] OR whose death arose out of or in the course of the actual performance of duty without willful negligence on the part of the deceased, and upon the finding and certification by the board that the death so occurred, there shall be paid to the beneficiaries specified in paragraph (2) of this subsection:

(i) The ordinary death benefit as provided in subsection [(k)] (L) of this section; or

(ii) A special retirement allowance computed as 50 percent of the ordinary disability retirement allowance provided for in subsection (g) of this section.

(2) The death benefit shall be paid to:

(i) The surviving spouse, if any; or

(ii) If there is no surviving spouse, to any children of the deceased under the age of 18 years, divided in a manner as the board of trustees determines.

[(m)] (N) Upon the death of a member retired on a service retirement allowance with or without a supplemental service retirement allowance, an ordinary disability retirement allowance, or an accidental disability retirement allowance:

(1) There shall be paid to the surviving spouse, if any, one-half of the deceased member's retirement allowance; or

(2) If there is no eligible surviving spouse, or if an eligible surviving spouse dies before the youngest child of the deceased member is 18 years old, then one-half of the deceased member's retirement allowance shall be paid to any children, under 18 years old, divided in a manner as the board of trustees determines, to continue as a joint