

RESOLUTION

(ii) file the form with the Board of Trustees before the first allowance payment normally becomes due.

(2) If the member is married at the time of retirement, a member may only elect to receive an optional form of allowance and designate a beneficiary other than the member's spouse if the member's spouse knowingly and in writing waives the right to receive the survivor's allowance under § 11 of this Item 3A on a form provided by the State Retirement Agency.

(3) A member who has elected an optional form of allowance may change the election only if the member notifies the Board of Trustees before the first allowance payment normally becomes due.

(4) If a member dies before the effective date of retirement, the Board of Trustees shall pay the benefits payable on the member's behalf as if the member had not elected an optional form of allowance.

(c) Actuarial equivalent. Each optional form of allowance shall be the actuarial equivalent of the allowance otherwise payable under this Item 3A.

(d) Designated beneficiary. (1) Subject to paragraph (2) of this subsection, for an optional form of allowance providing for payment to a designated beneficiary for life, the designated beneficiary must be an individual.

(2) If the designated beneficiary is a minor or an individual with a disability, the allowance may be paid into a trust for the benefit of the individual.

(3) A member who elects to receive a reduced optional allowance under this section, may designate an individual other than the member's child as the member's designated beneficiary.

(e) Restriction on designated beneficiary. (1) This subsection applies to a member who selects an optional form of allowance as provided in subsections (f)(2) or (f)(5) of this section.

(2) If a member designates a beneficiary other than the member's spouse or disabled child as defined under § 72(m)(7) of the Internal Revenue Code, a member may not designate a beneficiary who is more than 10 years younger than the member.

(f) Options. (1) Under Option 1, if a retiree dies before receiving payments equal to the actuarial equivalent present value of the retiree's basic allowance computed at the time of retirement, the Board of Trustees shall pay the balance as a single payment:

(i) to the designated beneficiary; or

(ii) if there is no designated beneficiary, to the retiree's estate.