

(2) file the form with the Board of Trustees.

(c) [If] SUBJECT TO SUBSECTION (D) OF THIS SECTION, IF a retiree changes a designated beneficiary, the Board of Trustees shall recompute the allowance for the election based on the value of the balance in the retiree's annuity reserve and pension reserve when the change is made.

(D) (1) THIS SUBSECTION APPLIES TO A RETIREE IF:

(I) THE RETIREE ELECTED THE OPTIONAL FORM OF ALLOWANCE PAYABLE UNDER § 21-403(E) (OPTION 5) OR § 21-403(F) (OPTION 6) OF THIS ARTICLE;

(II) THE RETIREE'S DESIGNATED BENEFICIARY DIES BEFORE THE RETIREE; AND

(III) AFTER THE DEATH OF THE DESIGNATED BENEFICIARY, THE RETIREE ELECTS TO CHANGE THE DESIGNATED BENEFICIARY.

(2) THE BOARD OF TRUSTEES SHALL RECOMPUTE THE REDUCED ALLOWANCE PAYABLE TO A RETIREE AND THE RETIREE'S NEW DESIGNATED BENEFICIARY USING:

(I) THE RETIREE'S BASIC ALLOWANCE AT THE TIME OF THE NEW BENEFICIARY DESIGNATION;

(II) THE RETIREE'S AGE AT THE TIME OF THE NEW BENEFICIARY DESIGNATION; AND

(III) THE AGE OF THE NEW DESIGNATED BENEFICIARY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2002.

Approved May 6, 2002.

CHAPTER 363

(House Bill 395)

AN ACT concerning

Retirement and Pensions - Disability Retirees - Temporary Suspension of Allowance

FOR the purpose of repealing certain requirements that disability retirees of the State Retirement and Pension Systems must meet; repealing certain restrictions on reemployment of certain disability retirees; providing for a temporary suspension of benefits paid to disability retirees under certain circumstances; providing for the resumption of disability benefits with certain adjustments to the benefits after receipt by the Board of Trustees for the State Retirement and Pension System of certain documentation; and generally