2.   OPTION 4 – SPECIAL.   IF A RETIREE HAS ELECTED THIS OPTION, SOME OTHER BENEFIT OR BENEFITS SHALL BE PAID EITHER TO THE RETIREE OR ON THE DEATH OF THE RETIREE TO THE RETIREE'S DESIGNATED BENEFICIARY OR BENEFICIARIES, IF THE OTHER BENEFIT OR BENEFITS TOGETHER WITH THE REDUCED ALLOWANCE:

A.   ARE CERTIFIED BY THE ACTUARY TO BE OF EQUIVALENT ACTUARIAL VALUE TO THE RETIREE'S ALLOWANCE; AND

B.   APPROVED BY THE BOARD OF TRUSTEES;

(V)   OPTION 5. UPON THE DEATH OF A RETIREE WHO HAS ELECTED THIS OPTION, THE REDUCED ALLOWANCE SHALL BE CONTINUED THROUGHOUT THE LIFE OF AND PAID TO THE RETIREE'S DESIGNATED BENEFICIARY. HOWEVER, IF THE DESIGNATED BENEFICIARY PREDECEASES THE RETIREE, THEN FROM THE DATE OF DEATH OF THE DESIGNATED BENEFICIARY, THE RETIREE SHALL RECEIVE THE ALLOWANCE AS IF NO OPTIONAL FORM OF PAYMENT WAS ELECTED AT THE TIME OF RETIREMENT; AND

(VI) OPTION 6. UPON THE DEATH OF A RETIREE WHO HAS ELECTED THIS OPTION, ONE–HALF OF THE REDUCED ALLOWANCE SHALL BE CONTINUED THROUGHOUT THE LIFE OF AND PAID TO THE RETIREE'S DESIGNATED BENEFICIARY. HOWEVER, IF THE DESIGNATED BENEFICIARY PREDECEASES THE RETIREE, THEN FROM THE DATE OF DEATH OF THE DESIGNATED BENEFICIARY, THE RETIREE SHALL RECEIVE THE ALLOWANCE AS IF NO OPTIONAL FORM OF PAYMENT WAS ELECTED AT THE TIME OF RETIREMENT.

(3)   (I)   ON THE DEATH OF A RETIREE WHOSE DESIGNATED BENEFICIARY HAS PREDECEASED THE RETIREE OR WHO HAS NOT SELECTED AN OPTION, THE PORTION OF THE ALLOWANCE THAT IS DUE FOR THE MONTH IN WHICH THE RETIREE DIES SHALL BE PAID TO THE RETIREE'S ESTATE.

(II)   ON THE DEATH OF A DESIGNATED BENEFICIARY WHO IS RECEIVING PAYMENTS FOR LIFE, THE PORTION OF THE ALLOWANCE THAT IS DUE FOR THE MONTH IN WHICH THE BENEFICIARY DIES SHALL BE PAID TO THE BENEFICIARY'S ESTATE.

(4)   IF A RETIREE ELECTS TO CHANGE A DESIGNATED BENEFICIARY, THE ALLOWANCE FOR A SUBSEQUENT ELECTION SHALL BE RECOMPUTED ON THE VALUE OF THE BALANCE IN THE RETIREE'S RESERVES AT THE TIME THE CHANGE IN BENEFICIARY IS MADE.

COMMITTEE NOTE: This section formerly appeared as Art. 73B, § 157(k) and (n).