

The addition of this section is based on an administrative interpretation of former § 157D(k) that the provision concerning the deductions for medical insurance premiums applies to this pension system.

10-224. DEATH BENEFITS.

(A) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, ON THE RECEIPT OF PROPER PROOF OF THE DEATH OF A MEMBER IN SERVICE, THE BOARD OF TRUSTEES SHALL PAY TO THE PERSON THE MEMBER HAS NOMINATED BY WRITTEN DESIGNATION EXECUTED AND FILED WITH THE BOARD OF TRUSTEES OR, IN THE ABSENCE OF A WRITTEN DESIGNATION, TO THE MEMBER'S ESTATE:

(1) THE MEMBER'S ACCUMULATED CONTRIBUTIONS; AND

(2) IF THE MEMBER HAS 1 OR MORE YEARS OF ELIGIBILITY SERVICE OR DIES IN THE PERFORMANCE OF DUTY, AN AMOUNT EQUAL TO THE MEMBER'S ANNUAL EARNABLE COMPENSATION AT THE TIME OF DEATH.

(B) THE BOARD OF TRUSTEES MAY TAKE THE STEPS NECESSARY TO PROVIDE THE DEATH BENEFIT UNDER THIS SUBSECTION IN THE FORM OF GROUP LIFE INSURANCE, IF, IN THE OPINION OF THE BOARD OF TRUSTEES, THAT PROVISION WOULD ALLOW A MORE FAVORABLE TAX TREATMENT OF THE BENEFIT TO THE BENEFICIARIES.

(C) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, IF THE MEMBER AT THE TIME OF THE MEMBER'S DEATH WAS AT LEAST 55 YEARS OLD AND HAD COMPLETED 15 YEARS OF ELIGIBILITY SERVICE OR WAS AT LEAST 62 YEARS OLD AND, IN EITHER EVENT, HAD NOMINATED THE MEMBER'S SURVIVING SPOUSE AS THE SOLE PRIMARY BENEFICIARY TO WHOM THE DEATH BENEFIT UNDER SUBSECTION (A) OF THIS SECTION WOULD BE PAID, THE SURVIVING SPOUSE MAY ELECT TO RECEIVE, INSTEAD OF A LUMP SUM DEATH BENEFIT, AN ALLOWANCE EQUAL TO THE ALLOWANCE WHICH THE SURVIVING SPOUSE WOULD HAVE RECEIVED HAD THE MEMBER:

(1) BEEN ELIGIBLE TO RETIRE;

(2) RETIRED 30 DAYS BEFORE THE MEMBER'S DEATH; AND

(3) ELECTED OPTION 2, WITH THE SURVIVING SPOUSE AS THE PERSON NOMINATED.

(D) IF A MEMBER WHO HAS TRANSFERRED TO THIS PENSION SYSTEM FROM THE EMPLOYEES' RETIREMENT SYSTEM DIES IN SERVICE, THE SURVIVING SPOUSE MAY ELECT TO RECEIVE IN LIEU OF THE LUMP SUM BENEFIT PAYABLE UNDER SUBSECTION (A) OF THIS SECTION, A MONTHLY ALLOWANCE FOR LIFE EQUAL TO THE AMOUNT PAYABLE UNDER OPTION 2, IF: