MEMORANDUM

To: Chairman Kelly and members of the House Financial Institutions and Pensions Committee

From: David Wiese, Assistant Revisor

Date: January 29, 2020

Subject: HB 2452; Providing certain KP&F tier II spousal and children's benefits for death resulting from a service-connected disability.

House Bill No. 2452 provides additional benefits for a KP&F tier II member's spouse and children if the member dies from a service-connected disability. Under current law there is no distinction between service-connected and nonservice-connected disability benefits for KP&F tier II members. Currently, if a disabled member dies before being eligible for a KP&F retirement benefit, the member's spouse receives a lump-sum payment equal to 50% of the member's final average salary and a monthly benefit equal to 50% of the disability benefit. If there is no spouse, the member's dependent children receive the benefits in equal shares.

HB 2452 provides that on and after July 1, 2019, if the member's death is service-connected, and if no death benefits are payable, the member's spouse receives a benefit equal to 50% of the member's final average salary or, if the member has no dependents, the retirement benefit the member would have been entitled to had the member retired, whichever is greater.

The bill also provides benefits to each of the member's children under the age of 18, or under the age of 23 if the child is a full-time student. Each child shall receive an annual benefit equal to 10% of the member's final average salary. The benefit would end on the last day of the month in which the child turns 18 or when such child turns 23 if the child is a full-time student.

The total combined spousal and children's benefits payable for a death resulting from a service-connected disability shall not exceed 75% of the member's final average salary.