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By: Delegates Kach and Heller

Introduced and read first time: February 12, 1999

Assigned to: Appropriations

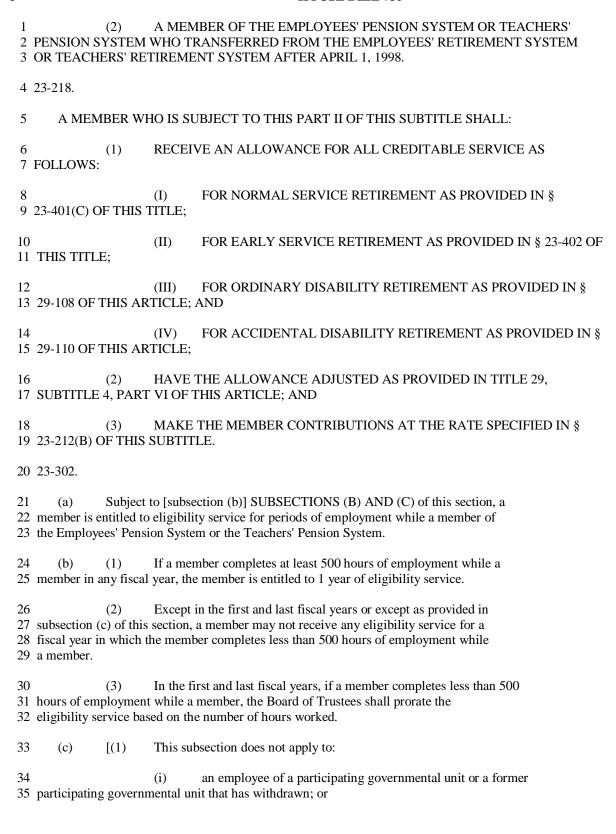
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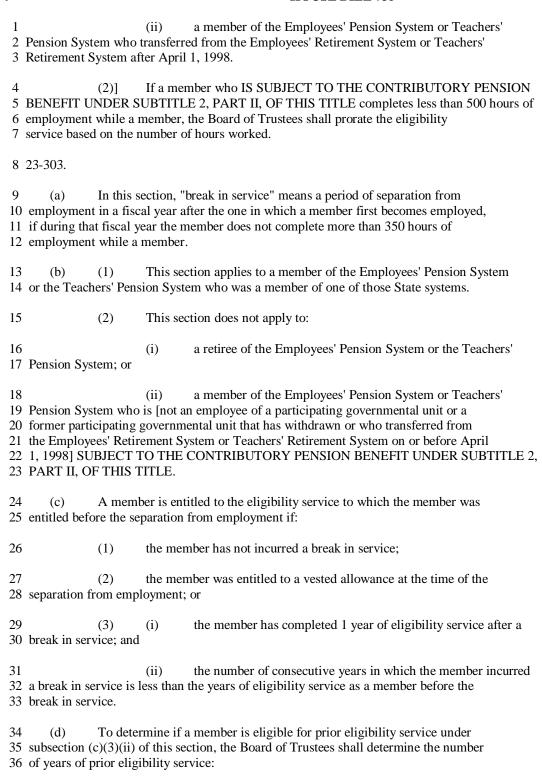
### A BILL ENTITLED

1	A TAT		•
1	AN	ACL	concerning
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- 2 Employees' Pension System University of Maryland Medical System 3 Corporation - Inclusion in Contributory Pension Benefit
- 4 FOR the purpose of authorizing certain employees of the University of Maryland
- 5 Medical System Corporation who participate in the Employees' Pension System
- 6 to qualify for certain contributory pension benefits; providing that certain
- 7 employees of the University of Maryland Medical System Corporation are
- 8 entitled to certain benefits as of a certain date; providing a certain exception for
- 9 certain employees who transferred from the Employees' Retirement System;
- providing for the purchase of certain service credit to avoid a certain actuarial
- deficiency adjustment in an allowance payable on behalf of certain members;
- making certain stylistic and technical changes; providing for the payment of
- certain liabilities under this Act; providing for the application of this Act; and
- 14 generally relating to the participation of certain employees of the University of
- 15 Maryland Medical System Corporation in the Employees' Pension System.
- 16 BY repealing and reenacting, with amendments,
- 17 Article State Personnel and Pensions
- 18 Section 23-212, 23-302, 23-303, 23-401, and 29-425
- 19 Annotated Code of Maryland
- 20 (1997 Replacement Volume and 1998 Supplement)
- 21 BY adding to
- 22 Article State Personnel and Pensions
- 23 Section 23-217 and 23-218 to be under the new part "Part II. Contributory
- Pension Benefit"; and 23-307.1
- 25 Annotated Code of Maryland
- 26 (1997 Replacement Volume and 1998 Supplement)
- 27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 28 MARYLAND, That the Laws of Maryland read as follows:

### 1 **Article - State Personnel and Pensions** 2 23-212. 3 (a) Except as provided in subsection (b) of this section, a member's contribution rate is 5% of the part of the member's earnable compensation that exceeds the taxable wage base for each year. 6 (b) [(1)]This subsection does not apply to: 7 an employee of a participating governmental unit or a former 8 participating governmental unit that has withdrawn; or 9 (ii) a member of the Employees' Pension System or Teachers' 10 Pension System who transferred from the Employees' Retirement System or Teachers' 11 Retirement System after April 1, 1998. 12 The contribution rate of a member WHO IS SUBJECT TO THE 13 CONTRIBUTORY PENSION BENEFIT UNDER PART II OF THIS SUBTITLE is 2% of the 14 member's earnable compensation. 15 23-215. RESERVED. 16 23-216. RESERVED. 17 PART II. CONTRIBUTORY PENSION BENEFIT. 18 23-217. EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THIS PART II 19 (A) 20 OF THIS SUBTITLE APPLIES TO AN INDIVIDUAL WHO IS: 21 A MEMBER OF THE EMPLOYEES' PENSION SYSTEM, INCLUDING A (1) 22 MEMBER WHO IS AN EMPLOYEE OF THE UNIVERSITY OF MARYLAND MEDICAL 23 SYSTEM CORPORATION, OR A MEMBER OF THE TEACHERS' PENSION SYSTEM; OR A MEMBER OF THE EMPLOYEES' RETIREMENT SYSTEM SUBJECT TO 24 (2) 25 SELECTION C (COMBINATION FORMULA) AS PROVIDED IN § 22-221 OF THIS ARTICLE 26 WHO IS AN EMPLOYEE OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM 27 CORPORATION. THIS PART II OF THIS SUBTITLE DOES NOT APPLY TO AN INDIVIDUAL WHO 28 (B) 29 IS: 30 (1) AN EMPLOYEE OF: 31 A PARTICIPATING GOVERNMENTAL UNIT; OR (I) A FORMER PARTICIPATING GOVERNMENTAL UNIT THAT HAS 32 (II)33 WITHDRAWN OTHER THAN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM 34 CORPORATION; OR





1		(1)	as of the	e day the member separated from employment; but
2 3	service.	(2)	excludin	ng any eligibility service lost because of a prior break in
	(e) of this sectio system.			receives credit for eligibility service under subsection (c) ystem, the member has no further rights in the other
7	23-307.1.			
10		VING BE WAS AN	NEFICI <i>A</i>	APPLIES ONLY TO A FORMER MEMBER, MEMBER, RETIREE ARY OF THE EMPLOYEES' PENSION SYSTEM WHO, WHILE A DYEE OF THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM
14 15	MARYLAN ELIGIBILIT	OYEES' ID MEDI IY SERV	PENSIO ICAL SY VICE FOI	OVIDED IN SUBSECTION (C) OF THIS SECTION, A MEMBER OF N SYSTEM WHO IS AN EMPLOYEE OF THE UNIVERSITY OF STEM CORPORATION MAY PURCHASE CREDIT FOR R THE PERIOD OF EMPLOYMENT FROM JULY 1, 1998 BY PAYING TO THE BOARD OF TRUSTEES:
17 18	HAVE BEE	(1) EN REQU		BEFORE JUNE 30, 2000, THE AMOUNT THE MEMBER WOULD CONTRIBUTE FOR THAT PERIOD OF EMPLOYMENT; OR
			TO CON	AFTER JULY 1, 2000, THE AMOUNT THE MEMBER WOULD HAVE FRIBUTE FOR THAT PERIOD OF EMPLOYMENT PLUS IPOUNDED ANNUALLY.
24 25	SUBSECTION ACTUARIA	ON (B) C ALLY TH	OF THIS IE ALLO	ER FAILS TO MAKE THE PAYMENT REQUIRED UNDER SECTION, THE BOARD OF TRUSTEES SHALL REDUCE DWANCE PAYABLE TO A FORMER MEMBER, RETIREE, OR YOF A DECEASED MEMBER, FORMER MEMBER, OR MEMBER.
27	(a)	A memb	oer may r	etire with a normal service retirement allowance if:
28 29	Board of Tr	(1) ustees sta		aber completes and submits a written application to the date when the member desires to retire; and
30		(2)	on or be	fore the date of retirement, the member:
31			(i)	has at least 30 years of eligibility service; or
32 33	follows:		(ii)	has attained the age and the years of eligibility service as
	Age 62 with		5	Years of Eligibility Service

2	63 with 64 with 65 or more with	4 3 2					
	(b) Except as provided in subsection (c) of this section, on retirement under this section, a member is entitled to receive a normal service retirement allowance that equals the number of years of the member's creditable service multiplied by:						
7 8	(1) of the Social Security		the member's average final compensation that is not in excess on level; and				
9 10	(2) Social Security integ		the member's average final compensation that exceeds the vel.				
11	(c) [(1)	This sub	osection does not apply to:				
12 13	participating govern	(i) mental un	an employee of a participating governmental unit or a former it that has withdrawn; or				
	4 (ii) a member of the Employees' Pension System or Teachers' 5 Pension System who transferred from the Employees' Retirement System or Teachers' 6 Retirement System after April 1, 1998.						
		PENSION	ement under this section, a member WHO IS SUBJECT TO THE N BENEFIT UNDER SUBTITLE 2, PART II OF THIS TITLE is ervice retirement allowance that equals the sum of:				
	after July 1, 1998 m	(i) ultiplied b	the number of years of the member's creditable service on or by 1.4% of the member's average final compensation;				
23		(ii)	the greater of:				
	or before June 30, 19 compensation; or	998 multij	1. the number of years of the member's creditable service on plied by 1.2% of the member's average final				
27 28	or before June 30, 19	998 multi <sub>j</sub>	2. the number of years of the member's creditable service on plied by:				
29 30	not in excess of the S	Social Sec	A. 0.8% of the member's average final compensation that is curity integration level; and				
31 32	exceeds the Social S	ecurity in	B. 1.5% of the member's average final compensation that tegration level.				

- 1 29-425.
- 2 (a) [Except as provided in subsection (b) of this section, this] THIS Part VI of
- 3 this subtitle applies on or after July 1, 1998 only to an allowance received by a former
- 4 member, retiree, or surviving beneficiary of a deceased member, former member, or
- 5 retiree of the Employees' Pension System or the Teachers' Pension System WHO:
- 6 (1) IS SUBJECT TO THE CONTRIBUTORY PENSION BENEFIT UNDER 7 TITLE 23, SUBTITLE 2, PART II OF THIS ARTICLE; OR
- 8 (2) TRANSFERRED FROM THE EMPLOYEES' RETIREMENT SYSTEM OR 9 THE TEACHERS' RETIREMENT SYSTEM TO THE EMPLOYEES' PENSION SYSTEM OR THE
- 10 TEACHERS' PENSION SYSTEM AFTER APRIL 1, 1998.
- 11 (b) This Part VI of this subtitle does not apply if the member, former member,
- 12 or retiree was an employee of:
- 13 (1) a participating governmental unit WHILE A MEMBER; or
- 14 (2) a former participating governmental unit that has withdrawn,
- 15 OTHER THAN THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION,
- 16 while a member.
- 17 SECTION 2. AND BE IT FURTHER ENACTED, That the additional liabilities
- 18 resulting from this Act as determined by the State actuary shall be amortized over 20
- 19 years and paid by the University of Maryland Medical System Corporation.
- 20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 21 July 1, 1999. It shall be construed retroactively and shall be applied to and
- 22 interpreted to affect the participants of the Employees' Pension System who are
- 23 affected by this Act beginning July 1, 1998.