Unofficial Copy K4 2002 Regular Session 2lr1036

By: Delegate Proctor (Chairman, Joint Committee on Pensions)

Introduced and read first time: January 31, 2002

Assigned to: Appropriations

A BILL ENTITLED

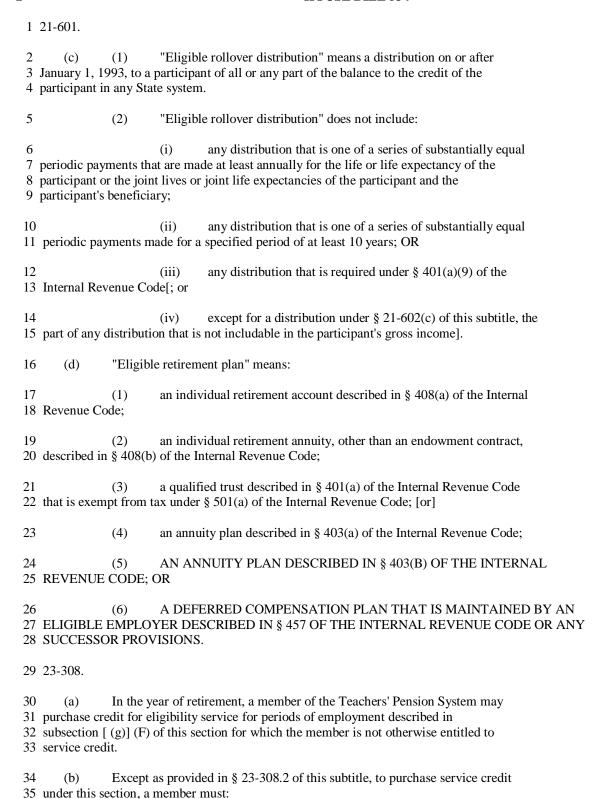
1 AN ACT concerning

2 Retirement and Pensions - Limitations on Benefits and Contributions

- 3 FOR the purpose of amending the compensation limits that are used to determine the
- 4 retirement allowances of certain members of the State Retirement and Pension
- 5 System to reflect certain provisions of the Internal Revenue Code; amending
- 6 certain definitions to reflect certain provisions in the Internal Revenue Code;
- 7 altering the method of payment certain members of the State Retirement and
- 8 Pension System may use to pay for certain creditable service as provided for in
- 9 the Internal Revenue Code; making this an emergency measure; and generally
- relating to certain limitations on benefits and contributions of members of the
- 11 State Retirement and Pension System.
- 12 BY repealing and reenacting, with amendments,
- 13 Article State Personnel and Pensions
- 14 Section 20-207, 21-601(c) and (d), and 23-308
- 15 Annotated Code of Maryland
- 16 (1997 Replacement Volume and 2001 Supplement)
- 17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 18 MARYLAND, That the Laws of Maryland read as follows:

19 Article - State Personnel and Pensions

- 20 20-207.
- 21 (a) This section does not apply to an individual who is a member of a State
- 22 system on or before June 30, 1996.
- 23 (b) Notwithstanding any other provision of law, for plan years beginning on or
- 24 after July 1, 1996, the annual compensation that may be taken into account when
- 25 determining the retirement allowance payable to a member of a State system, may
- 26 not exceed the compensation limit under § 401(a)(17)(B) of the Internal Revenue
- 27 Code[, of \$150,000, as adjusted by the Commissioner of Internal Revenue for
- 28 increases in the cost of living in accordance with § 401(a)(17)(B) of the Internal
- 29 Revenue Code] and regulations adopted thereunder.



HOUSE BILL 534

1 2	Trustees on	(1) the form	complete and file a claim for the service credit with the Board of that the Board of Trustees provides; and
3 4	and pension	(2) reserve re	pay to the Board of Trustees an amount equal to the annuity reserve equired to fund the additional allowance.
5	(c)	A memb	per may pay the amount required by subsection (b) of this section:
6 7	compensatio	(1) on per yea	on an installment basis by contributing at least 2% of earnable r; or
	prior contrib that benefit.		by transferring, on written request to the Board of Trustees, any a voluntary retirement benefit, less any costs of administering
	` '	not trans	ber who transfers contributions under subsection (c)(2) of this fer contributions qualifying under § 403(b) of the Internal
	\ / -		per who elects to make payments under subsection (c) of this section re completing the payments required to purchase this service
17 18	retirement;	(1) or	is entitled to receive the service credit purchased before the date of
19 20	full credit.	(2)	may pay at the time of retirement the amount necessary to receive
21 22	[(f)] under subse	(E) ction (c)	The surviving spouse of a member who elects to make payments of this section may pay for the appropriate final adjustment if:
23		(1)	the member dies while actively employed as a member; and
24 25	29-206 of th	(2) nis article	the deceased member's service qualifies for a death benefit under §
26 27	[(g)] employmen	(F) t:	A member may only purchase service credit under this section for
28		(1)	with an out-of-state public school;
29		(2)	with the federal government;
30		(3)	with a nonpublic school;
31		(4)	with a political subdivision;
32		(5)	as a postsecondary teacher;
33		(6)	with the State:

- 1 (7) with a public school as a teacher; or
- 2 (8) as a Baltimore City teacher on or before December 31, 1970, on
- 3 verified leave of absence of not more than 2 years that is similar in all respects to
- 4 leaves of absence approved by the Board of Trustees.
- 5 [(h)] (G) The total amount of service credit in the Teachers' Retirement
- 6 System or Teachers' Pension System that a member may purchase under this section
- 7 and § 23-308.2 of this subtitle may not exceed 10 years.
- 8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
- 9 measure, is necessary for the immediate preservation of the public health or safety,
- 10 has been passed by a yea and nay vote supported by three-fifths of all the members
- 11 elected to each of the two Houses of the General Assembly, and shall take effect from
- 12 the date it is enacted.