

BY: Conference Committee

AMENDMENTS TO HOUSE BILL NO. 1737  
(Third Reading File Bill)

AMENDMENT NO. 1

On pages 1 and 2, strike beginning with “altering” in line 5 on page 1 down through “benefit;” in line 2 on page 2 and substitute “providing for an alternate contributory pension selection for certain members of the Employees’ Pension System and the Teachers’ Pension System; providing for the member contribution rate and benefits for certain members of the Employees’ Pension System and the Teachers’ Pension System under a certain alternate contributory pension selection option;”.

On page 2, in lines 4 and 7, in each instance, strike “modified” and substitute “alternate”; in line 4, strike “benefits” and substitute “selection”; in line 8, strike “benefit” and substitute “selection”; in line 9, strike “experience”; in line 11, strike “Commission” and substitute “Committee”; strike beginning with “requiring” in line 13 down through “Act;” in line 18 and substitute “defining a certain term;”; strike beginning with “certain” in line 20 down through “System” in line 21 and substitute “State employees and teachers”; strike in their entirety lines 22 through 26, inclusive; in line 29, strike “22-406(c).”; in line 30, strike “23-407(c).”; and in line 36, strike “Modified Contributory Pension Benefit” and substitute “Alternate Contributory Pension Selection”.

AMENDMENT NO. 2

On pages 3 through 16, strike in their entirety the lines beginning with line 1 on page 3 through line 22 on page 16, inclusive.

On page 16, after line 23, insert:

“21-125.1.

(A) BEGINNING ON OR BEFORE SEPTEMBER 1, 2008, AND EVERY 5 YEARS

(Over)

THEREAFTER, THE JOINT COMMITTEE ON PENSIONS SHALL COMMISSION AN ACTUARIAL CONSULTING FIRM TO CONDUCT A STUDY OF THE SEVERAL SYSTEMS IN ADDITION TO THE ACTUARIAL INVESTIGATION AND VALUATION PERFORMED BY THE ACTUARY UNDER § 21-125 OF THIS SUBTITLE AND A COMPARISON OF THE SEVERAL SYSTEMS WITH OTHER SIMILARLY SITUATED PUBLIC PENSION PLANS.

(B) THE ACTUARIAL CONSULTING FIRM SHALL CONSIDER THE FOLLOWING ISSUES WITH REGARD TO THE SEVERAL SYSTEMS AND OTHER SIMILARLY SITUATED PUBLIC PENSION PLANS:

(1) THE FUNDING STATUS OF THE STATE RETIREMENT AND PENSION SYSTEM, INCLUDING ITS CURRENT UNFUNDED ACCRUED LIABILITY;

(2) THE COMPOSITION OF THE SEVERAL SYSTEMS, INCLUDING:

(I) THE NUMBER OF ACTIVE MEMBERS, RETIREES, DISABILITY RETIREES, AND BENEFICIARIES OF ALL RETIREES;

(II) THE AVERAGE ANNUAL SALARIES OF THE ACTIVE MEMBERS IN THE VARIOUS PLANS IN THE STATE RETIREMENT AND PENSION SYSTEM;

(III) THE AVERAGE ANNUAL BENEFITS OF THE RETIREES AND BENEFICIARIES OF THE STATE RETIREMENT AND PENSION SYSTEM; AND

(IV) THE AVERAGE AGE AND YEARS OF SERVICE OF ACTIVE MEMBERS RETIRING FROM THE VARIOUS PLANS IN THE STATE RETIREMENT AND PENSION SYSTEM; AND

(3) THE BENEFIT LEVELS PROVIDED BY THE VARIOUS STATE SYSTEMS, INCLUDING A COMPARISON OF MEMBER CONTRIBUTION RATES AND THE ACCRUAL RATES.

(C) THE FINDINGS OF THE ACTUARIAL CONSULTING FIRM SHALL BE SUBMITTED TO THE JOINT COMMITTEE ON PENSIONS ON OR BEFORE DECEMBER 31,

OF THE YEAR OF STUDY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE.”.

AMENDMENT NO. 3

On page 16, strike beginning with the second “OF” in line 31 down through “SYSTEM” in line 32; in line 32, strike “MODIFIED” and substitute “ALTERNATE”; in the same line, strike “BENEFIT” and substitute “SELECTION”; and in line 34, strike “2.7%”, and substitute “3%”.

On page 17, in line 1, strike “3.4%” and substitute “4%”; in line 2, after the semicolon insert “AND”; in line 3, strike “4.1%” and substitute “5%”; strike beginning with “FROM” in line 3 down through “INCLUSIVE;” in line 4 and substitute “ON OR AFTER JULY 1, 2008.”; strike in their entirety lines 5 through 12, inclusive; strike beginning with “OF” in line 30 down through “SYSTEM” in line 31; in line 31, strike “MODIFIED” and substitute “ALTERNATE”; and in line 32, strike “BENEFIT” and substitute “SELECTION”.

AMENDMENT NO. 4

On page 18, in line 3, strike “MODIFIED” and substitute “ALTERNATE”; in the same line, strike “BENEFIT” and substitute “SELECTION”; after line 4, insert:

“(A) IN THIS SECTION, “ACTIVE MEMBER” MEANS A MEMBER WHO IS NOT SEPARATED FROM EMPLOYMENT WITH THE STATE OR A PARTICIPATING EMPLOYER OF THE STATE.”;

in lines 5 and 8, strike “(A)” and “(B)”, respectively, and substitute “(B)” and “(C)”, respectively; in line 5, strike “(B)”, and substitute “(C)”; in line 6, strike “IS A” and substitute “ON OR AFTER JUNE 30, 2006, IS:

(1) AN ACTIVE”;

in line 7, strike beginning with the second “SYSTEM” through “2007” and substitute “SYSTEM;  
OR

(2) A MEMBER OF THE TEACHERS’ RETIREMENT SYSTEM OR

(Over)

EMPLOYEES' RETIREMENT SYSTEM WHO IS SUBJECT TO SELECTION C (COMBINATION FORMULA) AS PROVIDED IN § 22-221 OF THIS ARTICLE";

in line 11, strike "MODIFIED" and substitute "ALTERNATE"; in the same line, strike "BENEFIT" and substitute "SELECTION"; and in line 32, strike "AND (D)".

AMENDMENT NO. 5

On page 18, after line 32, insert:

"23-307.5.

(A) THIS SECTION APPLIES ONLY TO A FORMER MEMBER, MEMBER, RETIREE, OR SURVIVING BENEFICIARY OF THE EMPLOYEES' PENSION SYSTEM WHO, WHILE A MEMBER, WAS AN EMPLOYEE OF A PARTICIPATING GOVERNMENTAL UNIT THAT ELECTED THE ALTERNATE CONTRIBUTORY PENSION SELECTION FOR ITS EMPLOYEES UNDER § 31-116.1 OF THIS ARTICLE.

(B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A MEMBER WHO IS SUBJECT TO THE ALTERNATE CONTRIBUTORY PENSION SELECTION UNDER SUBTITLE 2, PART III OF THIS TITLE MAY PURCHASE CREDIT FOR ELIGIBILITY SERVICE FOR THE PERIOD OF EMPLOYMENT FROM JULY 1, 2006, THROUGH THE EFFECTIVE DATE OF ELECTION OF THE MEMBER'S PARTICIPATING EMPLOYER, BY PAYING TO THE BOARD OF TRUSTEES:

(1) ON OR BEFORE JUNE 30, 2007, THE AMOUNT THE MEMBER WOULD HAVE BEEN REQUIRED TO CONTRIBUTE FOR THAT PERIOD OF EMPLOYMENT; OR

(2) ON OR AFTER JULY 1, 2007, THE AMOUNT THE MEMBER WOULD HAVE BEEN REQUIRED TO CONTRIBUTE FOR THAT PERIOD OF EMPLOYMENT PLUS REGULAR INTEREST COMPOUNDED ANNUALLY.

(C) IF THE MEMBER FAILS TO MAKE THE PAYMENT AS PROVIDED UNDER SUBSECTION (B) OF THIS SECTION, THE BOARD OF TRUSTEES SHALL REDUCE ACTUARIALLY THE ALLOWANCE PAYABLE TO A FORMER MEMBER, RETIREE, OR SURVIVING BENEFICIARY OF A DECEASED MEMBER, FORMER MEMBER, OR

RETIREE.”.

AMENDMENT NO. 6

On page 20, in line 8, strike “MODIFIED” and substitute “ALTERNATE”; in the same line, strike “BENEFIT” and substitute “SELECTION”; in line 11, after “(1)” insert “THE GREATER OF:

(I)”;

in line 13, after “COMPENSATION;” insert “OR

(II) THE NUMBER OF YEARS OF THE MEMBER’S CREDITABLE SERVICE ON OR BEFORE JUNE 30, 1998 MULTIPLIED BY:

1. 0.8% OF THE MEMBER’S AVERAGE FINAL COMPENSATION THAT IS NOT IN EXCESS OF THE SOCIAL SECURITY INTEGRATION LEVEL; AND

2. 1.5% OF THE MEMBER’S AVERAGE FINAL COMPENSATION THAT EXCEEDS THE SOCIAL SECURITY INTEGRATION LEVEL; AND”;

strike in their entirety lines 14 through 16, inclusive; in line 20, strike “(3)” and substitute “(2)”; in line 21, strike “2006” and substitute “1998”; and in the same line, strike “2.0%” and substitute “1.8%”.

AMENDMENT NO. 7

On page 21, in lines 9 and 16, in each instance, strike “MODIFIED CONTRIBUTORY BENEFIT OPTION” and substitute “ALTERNATE CONTRIBUTORY PENSION SELECTION”; in lines 10 and 17, in each instance, strike “II” and substitute “III”; after line 19, insert:

“(A) ON OR BEFORE JUNE 30, 2007, A PARTICIPATING GOVERNMENTAL UNIT MAY ELECT TO PROVIDE ITS EMPLOYEES WITH THE ALTERNATE CONTRIBUTORY PENSION SELECTION UNDER TITLE 23, SUBTITLE 2, PART III OF THIS ARTICLE BY SUBMITTING ITS ELECTION ON A FORM PROVIDED BY THE STATE RETIREMENT AGENCY.

(Over)

(B) AN ELECTION BY A PARTICIPATING GOVERNMENTAL UNIT UNDER THIS SECTION IS IRREVOCABLE.”;

in line 21, strike “MODIFIED” and substitute “ALTERNATE”; in the same line, strike “BENEFIT” and substitute “SELECTION”; in line 25, strike “2007” and substitute “2006”; and in line 34, strike “4.” and substitute “2.”.

AMENDMENT NO. 8

On page 22, strike in their entirety lines 1 through 16, inclusive; and after line 16, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2006.”.