
By: **Delegate McMillan**

Introduced and read first time: February 10, 2006

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Teachers' and Employees' Retirement and Pension Systems Improvement**
3 **Act**

4 FOR the purpose of authorizing certain members of the Employees' and Teachers'
5 Retirement and Pension Systems to make a certain amount of additional
6 member contributions; requiring that certain additional member contributions
7 earn regular interest; requiring that certain additional contributions be credited
8 to certain member accounts in certain annuity savings funds; providing that
9 certain members of the Employees' and Teachers' Retirement and Pension
10 Systems receive additional service credit for certain additional member
11 contributions; determining the amount of additional service credit that certain
12 members of the Employees' and Teachers' Retirement and Pension Systems may
13 receive based on the value of certain additional contributions made by these
14 members; and generally relating to members of the Employees' and Teachers'
15 Retirement and Pension Systems making additional member contributions to
16 receive additional service credit.

17 BY repealing and reenacting, with amendments,
18 Article - State Personnel and Pensions
19 Section 21-311(a), 22-215, and 23-213
20 Annotated Code of Maryland
21 (2004 Replacement Volume and 2005 Supplement)

22 BY adding to
23 Article - State Personnel and Pensions
24 Section 22-214.1 and 23-212.1
25 Annotated Code of Maryland
26 (2004 Replacement Volume and 2005 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 21-311.

3 (a) The Board of Trustees shall credit to each member's individual account in
4 the annuity savings fund of the appropriate State system:5 (1) the member contributions of the member as provided in this Division
6 II; [and]7 (2) ANY ADDITIONAL CONTRIBUTIONS UNDER § 22-214.1 OR § 23-212.1 OF
8 THIS ARTICLE; AND9 (3) regular interest on the accumulated contributions of the member as
10 provided in this Division II.

11 22-214.1.

12 (A) (1) A MEMBER MAY MAKE ADDITIONAL CONTRIBUTIONS THAT ARE NOT
13 GREATER THAN 5% OF THE MEMBER'S EARNABLE COMPENSATION.14 (2) THE ADDITIONAL CONTRIBUTIONS MADE BY A MEMBER UNDER THIS
15 SECTION SHALL EARN REGULAR INTEREST UNDER § 22-215 OF THIS SUBTITLE.16 (B) THE ADDITIONAL CONTRIBUTIONS MADE BY A MEMBER UNDER THIS
17 SECTION SHALL BE CREDITED TO THE MEMBER'S INDIVIDUAL ACCOUNT IN THE
18 ANNUITY SAVINGS FUND OF THE APPROPRIATE STATE SYSTEM AS PROVIDED IN §
19 21-311 OF THIS ARTICLE.20 (C) (1) AT THE TIME OF RETIREMENT, THE MEMBER SHALL RECEIVE
21 ADDITIONAL SERVICE CREDIT FOR THE ADDITIONAL CONTRIBUTIONS, PLUS
22 REGULAR INTEREST, THAT THE MEMBER HAS MADE UNDER SUBSECTION (A) OF THIS
23 SECTION.24 (2) THE AMOUNT OF ADDITIONAL SERVICE CREDIT THE MEMBER IS
25 ELIGIBLE TO RECEIVE UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL EQUAL
26 THE AMOUNT OF SERVICE CREDIT THAT THE ADDITIONAL CONTRIBUTIONS WILL
27 FUND BASED ON THE ANNUITY RESERVE AND PENSION RESERVE REQUIRED TO
28 FUND THE SERVICE CREDIT.

29 22-215.

30 Regular interest is payable on member contributions, AND ANY ADDITIONAL
31 CONTRIBUTIONS UNDER § 22-214.1 OF THIS SUBTITLE, at the rate of 4% a year
32 compounded annually, until retirement or withdrawal of the accumulated
33 contributions.

34 23-212.1.

35 (A) (1) A MEMBER MAY MAKE ADDITIONAL CONTRIBUTIONS THAT ARE NOT
36 GREATER THAN 5% OF THE MEMBER'S EARNABLE COMPENSATION.

1 (2) THE ADDITIONAL CONTRIBUTIONS MADE BY A MEMBER UNDER THIS
2 SECTION SHALL EARN REGULAR INTEREST UNDER § 23-213 OF THIS SUBTITLE.

3 (B) THE ADDITIONAL CONTRIBUTIONS MADE BY A MEMBER UNDER THIS
4 SECTION SHALL BE CREDITED TO THE MEMBER'S INDIVIDUAL ACCOUNT IN THE
5 ANNUITY SAVINGS FUND OF THE APPROPRIATE STATE SYSTEM AS PROVIDED IN §
6 21-311 OF THIS ARTICLE.

7 (C) (1) AT THE TIME OF RETIREMENT, THE MEMBER SHALL RECEIVE
8 ADDITIONAL SERVICE CREDIT FOR THE ADDITIONAL CONTRIBUTIONS, PLUS
9 REGULAR INTEREST, THAT THE MEMBER HAS MADE UNDER SUBSECTION (A) OF THIS
10 SECTION.

11 (2) THE AMOUNT OF ADDITIONAL SERVICE CREDIT THE MEMBER IS
12 ELIGIBLE TO RECEIVE UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL EQUAL
13 THE AMOUNT OF SERVICE CREDIT THAT THE ADDITIONAL CONTRIBUTIONS WILL
14 FUND BASED ON THE ANNUITY RESERVE AND PENSION RESERVE REQUIRED TO
15 FUND THE SERVICE CREDIT.

16 23-213.

17 Regular interest is payable on member contributions, AND ANY ADDITIONAL
18 CONTRIBUTIONS UNDER § 23-212.1 OF THIS SUBTITLE, at the rate of 5% per year
19 compounded annually until retirement or withdrawal of contributions and interest.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 July 1, 2006.