HOUSE BILL 1290

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By: Delegate Serafini

Introduced and read first time: February 25, 2011 Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

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State Employees' and Teachers' Retirement Savings Plan

FOR the purpose of establishing a State Employees' and Teachers' Retirement Savings Plan; requiring that certain members of the Employees' Pension System or the Teachers' Pension System become members of the Plan on a certain date; requiring that certain individuals who are employed by certain participating employers on or after a certain date become members of the Plan; prohibiting certain elections to participate in the optional retirement program; requiring the Board of Trustees of the Maryland Teachers and State Employees Supplemental Retirement Plans to administer the Plan; requiring the Board to provide participating employees in the Plan with certain investment options; requiring participation in the Plan as a condition of employment for certain individuals; providing the vesting requirements for participating employees in the Plan; providing that certain participating employees of the Plan may make certain elections with regard to certain employee contributions; providing for the minimum employee contribution rate for participating employees in the Plan; providing that a certain employee contribution rate shall increase by a certain amount over a certain period of time; authorizing participating employees of the Plan to freeze certain employee contribution rate increases and resume the increases in a certain manner; requiring that employee contributions to the Plan be made in a certain manner; providing for the method of distribution for certain benefits payable under the Plan; requiring the State to make certain employer contributions to the Plan in a certain manner; requiring certain local employers to pay a certain amount of certain employer contributions for certain participating employees in the Plan beginning on a certain date; providing that certain participating employees in the Plan receive a certain benefit from the Employees' Pension System or the Teachers' Pension System; authorizing certain participating employees of the Plan to borrow certain funds in a certain manner and subject to certain repayment provisions; defining certain terms; and generally relating to the establishment of a State



- 1 Employees' and Teachers' Retirement Savings Plan for State employees and 2 teachers. 3 BY repealing and reenacting, with amendments, 4 Article – State Personnel and Pensions 5 Section 23–203, 23–204(c), 23–208, and 30–302 6 Annotated Code of Maryland (2009 Replacement Volume and 2010 Supplement) 7 8 BY adding to 9 Article – State Personnel and Pensions 10 Section 41–101 through 41–210 to be under the new title "Title 41. State Employees' and Teachers' Retirement Savings Plan" 11 Annotated Code of Maryland 12(2009 Replacement Volume and 2010 Supplement) 13 14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 15 MARYLAND. That the Laws of Maryland read as follows: Article - State Personnel and Pensions 16 17 23-203. Except as provided in § 23-204 of this subtitle, an individual 18 **(1)** described in § 23-201(a) of this subtitle who becomes an employee of a participating 19 employer on or after January 1, 1980, AND ON OR BEFORE JUNE 30, 2011, or who 20 21transfers membership from the Employees' Retirement System ON OR BEFORE JUNE 22 **30, 2011**, is a member of the Employees' Pension System as a condition of 23employment. AN INDIVIDUAL DESCRIBED IN § 23–201(A) OF THIS SUBTITLE 24**(2)** WHO IS A MEMBER OF THE EMPLOYEES' PENSION SYSTEM ON JUNE 30, 2011, 2526AND REMAINS AN EMPLOYEE OF A PARTICIPATING EMPLOYER ON JULY 1, 2011: 27 **(I)** SHALL BECOME A MEMBER OF THE STATE EMPLOYEES' AND TEACHERS' RETIREMENT SAVINGS PLAN UNDER TITLE 41 OF THIS 28ARTICLE ON JULY 1, 2011; AND 29 30 SHALL NO LONGER BE CONSIDERED A MEMBER OF THE (II)EMPLOYEES' PENSION SYSTEM. 31 (B) **(1) (2)**
- 32 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
 33 SUBSECTION, AN INDIVIDUAL WHO IS NOT A MEMBER OF THE EMPLOYEES'
 34 PENSION SYSTEM ON JUNE 30, 2011, IS NOT ELIGIBLE FOR MEMBERSHIP IN
 35 THE EMPLOYEES' PENSION SYSTEM.

- 1 (2) AN INDIVIDUAL IS A MEMBER OF THE EMPLOYEES' PENSION
- 2 SYSTEM IF THE INDIVIDUAL COMMENCES EMPLOYMENT ON OR AFTER JULY 1,
- 3 2011, FOR A PARTICIPATING GOVERNMENTAL UNIT THAT ELECTED TO JOIN THE
- 4 EMPLOYEES' PENSION SYSTEM ON OR BEFORE JUNE 30, 2011.
- 5 23–204.
- 6 (c) (1) [Subject] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
 7 SUBSECTION AND SUBJECT to paragraph [(2)](3) of this subsection, membership in
 8 the Employees' Pension System is optional for an individual described in §
- 9 23–201(a)(2)(iv) of this subtitle who is elected or appointed as the Baltimore City
- 10 Sheriff ON OR BEFORE JUNE 30, 2011.
- 11 (2) AN INDIVIDUAL DESCRIBED IN § 23–201(A)(2)(IV) OF THIS
- 12 SUBTITLE WHO IS A MEMBER OF THE EMPLOYEES' PENSION SYSTEM ON JUNE
- 30, 2011, AND REMAINS AS THE BALTIMORE CITY SHERIFF ON JULY 1, 2011:
- 14 (I) SHALL BECOME A MEMBER OF THE STATE EMPLOYEES'
- 15 AND TEACHERS' RETIREMENT SAVINGS PLAN UNDER TITLE 41 OF THIS
- 16 ARTICLE ON JULY 1, 2011; AND
- 17 (II) SHALL NO LONGER BE CONSIDERED A MEMBER OF THE
- 18 EMPLOYEES' PENSION SYSTEM.
- 19 (3) (I) An individual who is elected or appointed as the Baltimore
- 20 City Sheriff ON OR BEFORE JUNE 30, 2011, and who does not elect to join the
- 21 Employees' Pension System is a member of the Law Enforcement Officers' Pension
- 22 System under Title 26 of this article as a condition of employment.
- 23 (II) AN INDIVIDUAL WHO IS ELECTED AS THE BALTIMORE
- 24 CITY SHERIFF ON OR AFTER JULY 1, 2011, AND WHO DOES NOT ELECT TO JOIN
- 25 THE STATE EMPLOYEES' AND TEACHERS' RETIREMENT SAVINGS PLAN UNDER
- 26 TITLE 41 OF THIS ARTICLE, IS A MEMBER OF THE LAW ENFORCEMENT
- 27 OFFICERS' PENSION SYSTEM UNDER TITLE 26 OF THIS ARTICLE AS A
- 28 CONDITION OF EMPLOYMENT.
- [(3)](4) (I) To elect to be a member of the Employees' Pension
- 30 System ON OR BEFORE JUNE 30, 2011, under this subsection, an individual shall
- 31 file a written application with the State Retirement Agency.
- [(4)] (II) An individual who does not elect membership within 6
- 33 months of the date the individual begins serving as the Baltimore City Sheriff shall
- become a member of the Law Enforcement Officers' Pension System.
- 35 23–208.

- (A) (1) Except as provided in § 23–209 of this subtitle, an individual described in § 23–206(a) of this subtitle who becomes employed by a participating employer on or after January 1, 1980, AND ON OR BEFORE JUNE 30, 2011, or who transfers membership from the Teachers' Retirement System ON OR BEFORE JUNE 30, 2011, is a member of the Teachers' Pension System as a condition of employment.
- 6 (2) AN INDIVIDUAL DESCRIBED IN § 23–206(A) OF THIS SUBTITLE 7 WHO IS A MEMBER OF THE TEACHERS' PENSION SYSTEM ON JUNE 30, 2011, 8 AND REMAINS AN EMPLOYEE OF A PARTICIPATING EMPLOYER ON JULY 1, 2011:
- 9 (I) SHALL BECOME A MEMBER OF THE STATE EMPLOYEES'
 10 AND TEACHERS' RETIREMENT SAVINGS PLAN UNDER TITLE 41 OF THIS
 11 ARTICLE ON JULY 1, 2011; AND
- 12 (II) SHALL NO LONGER BE CONSIDERED A MEMBER OF THE 13 TEACHERS' PENSION SYSTEM.
- 14 (B) AN INDIVIDUAL WHO IS NOT A MEMBER OF THE TEACHERS'
 15 PENSION SYSTEM ON JUNE 30, 2011, IS NOT ELIGIBLE FOR MEMBERSHIP IN
 16 THE TEACHERS' PENSION SYSTEM.
- 17 30–302.
- 18 (a) (1) [An] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
 19 SUBSECTION, AN election to participate in the program shall be made by an eligible
 20 employee within 1 year of first becoming an eligible employee of an employing
 21 institution.
- 22 (2) AN INDIVIDUAL WHO DOES NOT ELECT TO PARTICIPATE IN 23 THE PROGRAM ON OR BEFORE JUNE 30, 2011, IS NOT ELIGIBLE FOR MEMBERSHIP IN THE PROGRAM.
- 25 (b) An eligible employee's election to participate in the program is a 26 one—time irrevocable election.
- 27 TITLE 41. STATE EMPLOYEES' AND TEACHERS' RETIREMENT SAVINGS PLAN.
- 28 SUBTITLE 1. DEFINITIONS.
- 29 **41–101.**
- 30 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS 31 INDICATED.

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| 1 2 3 | (B) "BOARD" MEANS THE STATE BOARD OF TRUSTEES OF THE MARYLAND TEACHERS AND STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS ESTABLISHED UNDER § 35–201 OF THIS ARTICLE. |
| 4 | (C) (1) "ELIGIBLE EMPLOYEE" MEANS AN INDIVIDUAL ELIGIBLE TO |
| 5 6 | PARTICIPATE IN THE STATE EMPLOYEES' AND TEACHERS' RETIREMENT SAVINGS PLAN. |
| 7 | (2) "ELIGIBLE EMPLOYEE" INCLUDES: |
| 8 | (I) A MEMBER OF THE FACULTY OF AN EMPLOYING INSTITUTION; |
| 10 11 12 | (II) A PROFESSIONAL EMPLOYEE AT A COMMUNITY COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER TITLE 16 OF THE EDUCATION ARTICLE; |
| 13 14 15 | (III) AN EMPLOYEE OF THE UNIVERSITY SYSTEM OF MARYLAND WHO IS IN A POSITION DESIGNATED AS EXEMPT UNDER A POLICY ADOPTED BY THE UNIVERSITY SYSTEM OF MARYLAND BOARD OF REGENTS; |
| 16 17 18 | (IV) AN EMPLOYEE OF MORGAN STATE UNIVERSITY WHO IS IN A POSITION DESIGNATED AS PROFESSIONAL OR ADMINISTRATIVE BY THE BOARD OF REGENTS OF MORGAN STATE UNIVERSITY; |
| 19 20 21 | (V) AN EMPLOYEE OF ST. MARY'S COLLEGE OF MARYLAND WHO IS IN A POSITION DETERMINED BY THE BOARD OF TRUSTEES OF THE COLLEGE TO BE A PROFESSIONAL OR FACULTY POSITION; OR |
| 22 23 | (VI) AN INDIVIDUAL WHO IS AN EMPLOYEE OF A PARTICIPATING EMPLOYER AS: |
| 24 25 | 1. A REGULAR EMPLOYEE WHOSE COMPENSATION IS PROVIDED BY STATE APPROPRIATION OR PAID FROM STATE FUNDS; |
| 26 | 2. AN APPOINTED OR ELECTED OFFICIAL OF THE |
| 27 | STATE WHO IS APPOINTED OR ELECTED FOR A TERM OF OFFICE THAT BEGINS ON OR AFTER JULY 1 2011 INCLUDING: |

A. A CLERK OF THE CIRCUIT COURT;

30 B. A REGISTER OF WILLS;

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C. A STATE'S ATTORNEY; AND

MARYLAND.

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| 1 | D. A SHERIFF; |
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| 2 3 | 3. AN EMPLOYEE OF A DAY SCHOOL IN THE STATE UNDER THE AUTHORITY AND SUPERVISION OF A COUNTY BOARD OF EDUCATION |
| 4 | OR THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS EMPLOYED AS: |
| 5 | A. A CLERK; |
| 6 | B. A HELPING TEACHER; |
| 7 | C. A PRINCIPAL; |
| 8 | D. A SUPERINTENDENT; |
| 9 | E. A SUPERVISOR; OR |
| 10 | F. A TEACHER; |
| 11 | 4. A LIBRARIAN OR CLERICAL EMPLOYEE OF A |
| 12 | LIBRARY THAT IS ESTABLISHED OR OPERATES UNDER THE EDUCATION |
| 13 | ARTICLE; |
| 14 | 5. AN EMPLOYEE OF THE OFFICE OF THE SHERIFF |
| 15 | OF BALTIMORE CITY; |
| 16 | 6. AN EMPLOYEE OR AGENT OF THE STATE RACING |
| 17 | COMMISSION AUTHORIZED BY § 11–207 OF THE BUSINESS REGULATION |
| 18 | ARTICLE; |
| 19 | 7. A PERMANENT EMPLOYEE OF THE BOARD OF |
| 20 | SUPERVISORS OF ELECTIONS OF A COUNTY; |
| 21 | 8. A FULL-TIME MASTER IN CHANCERY OR IN |
| $\frac{-}{22}$ | JUVENILE CAUSES WHO WAS APPOINTED ON OR AFTER JULY 1, 2011, IN ANY |
| 23 | COUNTY BY THE CIRCUIT COURT FOR THAT COUNTY; |
| 24 | 9. A NONFACULTY EMPLOYEE OF THE BALTIMORE |
| 25 | CITY COMMUNITY COLLEGE; OR |
| 26 | 10. A STAFF EMPLOYEE OF THE UNIVERSITY SYSTEM |
| $\frac{27}{27}$ | OF MARYLAND, MORGAN STATE UNIVERSITY, OR ST. MARY'S COLLEGE OF |
| | |

- 1 (3) "ELIGIBLE EMPLOYEE" DOES NOT INCLUDE AN INDIVIDUAL
- 2 WHO ON OR BEFORE JUNE 30, 2011, IS A MEMBER OF THE OPTIONAL
- 3 RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE.
- 4 (D) "PARTICIPATING EMPLOYEE" MEANS AN ELIGIBLE EMPLOYEE WHO
- 5 PARTICIPATES IN THE STATE EMPLOYEES' AND TEACHERS' RETIREMENT
- 6 SAVINGS PLAN.
- 7 (E) "STATE EMPLOYEES' AND TEACHERS' RETIREMENT SAVINGS
- 8 Plan" means the system established under § 41–201 of this title.
- 9 (F) "SUPPLEMENTAL RETIREMENT PLAN" MEANS A SUPPLEMENTAL
- 10 RETIREMENT PLAN AUTHORIZED UNDER TITLE 35 OF THIS ARTICLE.
- 11 SUBTITLE 2. STATE EMPLOYEES' AND TEACHERS' RETIREMENT SAVINGS
- 12 PLAN.
- 13 **41–201.**
- 14 THERE IS A STATE EMPLOYEES' AND TEACHERS' RETIREMENT SAVINGS
- 15 PLAN.
- 16 **41–202.**
- 17 THE BOARD SHALL ADMINISTER THE STATE EMPLOYEES' AND
- 18 TEACHERS' RETIREMENT SAVINGS PLAN.
- 19 **41–203.**
- 20 (A) (1) THE BOARD SHALL ADOPT, IMPLEMENT, AND MAINTAIN THE
- 21 SPECIFIC SUPPLEMENTAL RETIREMENT PLANS THAT ARE PART OF THE STATE
- 22 EMPLOYEES' AND TEACHERS' RETIREMENT SAVINGS PLAN.
- 23 (2) THE BOARD SHALL ENSURE THAT THE SPECIFIC
- 24 SUPPLEMENTAL RETIREMENT PLANS OFFER INVESTMENT CLASSES THAT
- 25 INCLUDE FIXED OR GUARANTEED MONEY MARKET, BOND, STOCK, AND VARIOUS
- 26 OPTIONS WITHIN THESE INVESTMENT CLASSES.
- 27 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
- 28 SUBSECTION, THE BOARD SHALL ADOPT REGULATIONS TO CARRY OUT THIS
- 29 TITLE.

- 1 (2) THE BOARD IS NOT REQUIRED TO ADOPT REGULATIONS TO
- 2 ADOPT OR AMEND THE PLANS UNDER THE STATE EMPLOYEES' AND TEACHERS'
- 3 RETIREMENT SAVINGS PLAN.
- 4 (C) A PARTICIPATING EMPLOYEE'S INTEREST IN THE PLANS UNDER THE
- 5 STATE EMPLOYEES' AND TEACHERS' RETIREMENT SAVINGS PLAN:
- 6 (1) SHALL BEGIN 3 YEARS AFTER THE PARTICIPATING EMPLOYEE
- 7 BECOMES AN ELIGIBLE EMPLOYEE;
- 8 (2) SHALL BE 100% VESTED ON THE FIRST DAY OF THE FOURTH
- 9 YEAR AFTER THE PARTICIPATING EMPLOYEE BECOMES AN ELIGIBLE
- 10 EMPLOYEE; AND
- 11 (3) MAY BE DISTRIBUTED AS PROVIDED UNDER § 41–206 OF THIS
- 12 SUBTITLE.
- 13 **41–204.**
- AN INDIVIDUAL IS A MEMBER OF THE STATE EMPLOYEES' AND
- 15 TEACHERS' RETIREMENT SAVINGS PLAN AS A CONDITION OF EMPLOYMENT IF
- 16 THE INDIVIDUAL:
- 17 (1) COMMENCES EMPLOYMENT AS AN ELIGIBLE EMPLOYEE ON OR
- 18 AFTER JULY 1, 2011; OR
- 19 (2) WAS A MEMBER OF THE EMPLOYEES' PENSION SYSTEM OR
- 20 TEACHERS' PENSION SYSTEM ON OR BEFORE JUNE 30, 2011, AND BECOMES AN
- 21 ELIGIBLE EMPLOYEE ON JULY 1, 2011.
- 22 **41–205.**
- 23 (A) (1) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A
- 24 PARTICIPATING EMPLOYEE MAY ELECT TO MAKE EMPLOYEE CONTRIBUTIONS
- 25 TO A SUPPLEMENTAL RETIREMENT PLAN.
- 26 (2) A PARTICIPATING EMPLOYEE WHO DOES NOT ELECT TO MAKE
- 27 EMPLOYEE CONTRIBUTIONS TO A SUPPLEMENTAL RETIREMENT PLAN AT THE
- 28 TIME THE PARTICIPATING EMPLOYEE BECOMES AN ELIGIBLE EMPLOYEE MAY
- 29 ELECT TO BEGIN MAKING EMPLOYEE CONTRIBUTIONS ON THE JULY 1
- 30 IMMEDIATELY FOLLOWING THE DATE THE PARTICIPATING EMPLOYEE BECAME
- 31 AN ELIGIBLE EMPLOYEE OR ANY JULY 1 THEREAFTER.

| 1 | (B) | (1) | EXCE | PT AS (| OTHER | RWISE | PROVI | DED I | N THI | S SUB | SECTIO | N, IF A |
|---|------------|------------|--------------|---------|-------|-------|--------------|-------|-------|-------|---------|---------|
| 2 | PARTICIPA | TING | EMPLO | YEE I | ELECT | s to | MAKE | E EM | PLOYE | EE CO | NTRIBU | TIONS |
| 3 | UNDER SU | BSECT | TION (A) |) OF T | HIS S | ECTIC | N, THI | E PAR | TICIP | ATING | EMPLO | OYEE'S |
| 4 | CONTRIBU | TION | RATE | SHALL | BE | AT I | EAST | 3% | OF T | HE P | ARTICIP | ATING |
| 5 | EMPLOYER | e's ani | NUAL EA | RNABI | LE CO | MPEN | SATION | Ι. | | | | |

- 6 (2) (I) A PARTICIPATING EMPLOYEE'S CONTRIBUTION RATE 7 SHALL INCREASE 0.25% EACH YEAR UNTIL THE CONTRIBUTION RATE EQUALS 8 10%.
- 9 (II) 1. A PARTICIPATING EMPLOYEE MAY FREEZE THE 10 INCREASE TO THE PARTICIPATING EMPLOYEE'S CONTRIBUTION RATE UNDER 11 SUBPARAGRAPH (I) OF THIS PARAGRAPH AT ANY TIME.
- 2. After freezing a contribution rate under subsubparagraph 1 of this subparagraph, a participating employee may elect to resume the increases on the July 1 immediately following the date that the participating employee elected to freeze the contribution rate or any July 1 thereafter.
- 17 (3) A PARTICIPATING EMPLOYEE WHO ELECTS TO PARTICIPATE
 18 IN A ROTH 401(K) RETIREMENT SAVINGS PLAN MAY ELECT TO MAKE EMPLOYEE
 19 CONTRIBUTIONS UNDER THIS SUBSECTION ON A POSTTAX ELECTIVE DEFERRAL
 20 BASIS, IN ADDITION TO, OR INSTEAD OF, PRETAX ELECTIVE DEFERRALS UNDER
 21 A TRADITIONAL 401(K) PLAN.
- 22 (C) THE PARTICIPATING EMPLOYEE CONTRIBUTIONS SHALL BE MADE
 23 AS PAYROLLS ARE PAID BY PAYROLL DEDUCTION OR BY A REDUCTION IN
 24 SALARY IN ACCORDANCE WITH THE INTERNAL REVENUE CODE AND AS
 25 PROVIDED BY THE APPLICABLE SUPPLEMENTAL RETIREMENT PLAN.
- 26 **41–206.**

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- BENEFITS UNDER THE STATE EMPLOYEES' AND TEACHERS' RETIREMENT SAVINGS PLAN:
- 29 (1) SHALL BE PAYABLE TO A PARTICIPATING EMPLOYEE AS:
- 30 (I) A LUMP SUM PAYMENT; OR
- 31 (II) AN ANNUITY BEGINNING AT THE TIME OF RETIREMENT 32 OF THE PARTICIPATING EMPLOYEE WITH:
 - 1. NO SURVIVOR BENEFIT;

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EARNABLE COMPENSATION.

| 1 | 2. A 100% JOINT AND SURVIVOR BENEFIT; OR |
|------------|---|
| 2 | 3. A 50% JOINT AND SURVIVOR BENEFIT; |
| 3 | (2) SHALL BE PAYABLE IN ACCORDANCE WITH THE INTERNAL |
| 4 | REVENUE CODE AND AS PROVIDED BY THE APPLICABLE SUPPLEMENTAL |
| 5 | RETIREMENT PLAN; AND |
| 6 | (3) ARE NOT PAYABLE BY THE STATE. |
| 7 | 41–207. |
| 8 | (A) (1) ON BEHALF OF EACH PARTICIPATING EMPLOYEE WHO |
| 9 | ELECTS NOT TO MAKE CONTRIBUTIONS UNDER § 41–205 OF THIS SUBTITLE, THE |
| 0 | STATE SHALL CONTRIBUTE TO THE APPLICABLE SUPPLEMENTAL RETIREMENT |
| 1 | PLAN EMPLOYER CONTRIBUTIONS EQUAL TO 3% OF THE PARTICIPATING |
| 12 | EMPLOYEE'S CONTRIBUTIONS. |
| 13 | (2) ON BEHALF OF EACH PARTICIPATING EMPLOYEE WHO MAKES |
| 14 | CONTRIBUTIONS UNDER § 41-205 OF THIS SUBTITLE, THE STATE SHALL |
| 15 | CONTRIBUTE TO THE APPLICABLE SUPPLEMENTAL RETIREMENT PLAN |
| 16 | EMPLOYER CONTRIBUTIONS EQUAL TO: |
| L 7 | (I) FOR A PARTICIPATING EMPLOYEE CONTRIBUTING NOT |
| 18 | MORE THAN 6% OF THE PARTICIPATING EMPLOYEE'S ANNUAL EARNABLE |
| 9 | COMPENSATION, 3% OF THE PARTICIPATING EMPLOYEE'S ANNUAL EARNABLE |
| 20 | COMPENSATION; AND |
| 21 | (II) FOR A PARTICIPATING EMPLOYEE CONTRIBUTING MORE |
| 22 | THAN 6% OF THE PARTICIPATING EMPLOYEE'S ANNUAL EARNABLE |
| 23 | COMPENSATION: |
| 24 | 1. 3% OF THE PARTICIPATING EMPLOYEE'S ANNUAL |
| 25 | EARNABLE COMPENSATION; AND |
| 26 | 2. 25% OF THE PARTICIPATING EMPLOYEE'S |
| 27 | CONTRIBUTIONS FOR THAT AMOUNT THAT IS GREATER THAN 6% BUT LESS |
| 28 | THAN OR EQUAL TO 10% OF THE PARTICIPATING EMPLOYEE'S ANNUAL |

(B) (1) IN THIS SUBSECTION, "LOCAL EMPLOYER" MEANS:

| THE EDUCATION ARTICLE; OR (III) A COMMUNITY COLLEGE, OTHER THAN BALTI CITY COMMUNITY COLLEGE, THAT IS ESTABLISHED UNDER THE EDUCA ARTICLE. (2) THIS SECTION APPLIES TO EMPLOYER CONTRIBUTIONS IS PARTICIPATING EMPLOYEE WHO IS: (I) AN EMPLOYEE OF A DAY SCHOOL IN THE STATE U THE AUTHORITY AND SUPERVISION OF A COUNTY BOARD OF EDUCATION OF BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS EMPLOYED AS: 1. A CLERK; 2. A HELPING TEACHER; 3. A PRINCIPAL; 4. A SUPERINTENDENT; 5. A SUPERVISOR; OR 6. A TEACHER; (II) A LIBRARIAN OR CLERICAL EMPLOYEE OF A LIB THAT IS ESTABLISHED OR OPERATES UNDER THE EDUCATION ARTICLE; OF THE EDUCATION ARTICLE. (3) BEGINNING JULY 1, 2016, ON BEHALF OF A PARTICIP, EMPLOYEE DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, | 1 2 3 | (I) A DAY SCHOOL IN THE STATE UNDER THE AUTHORITY AND SUPERVISION OF A COUNTY BOARD OF EDUCATION OR THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS; |
|--|-------------|---|
| CITY COMMUNITY COLLEGE, THAT IS ESTABLISHED UNDER THE EDUCARTICLE. (2) THIS SECTION APPLIES TO EMPLOYER CONTRIBUTIONS IN PARTICIPATING EMPLOYEE WHO IS: (I) AN EMPLOYEE OF A DAY SCHOOL IN THE STATE UNDER THE AUTHORITY AND SUPERVISION OF A COUNTY BOARD OF EDUCATION OF BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS EMPLOYED AS: 1. A CLERK; 2. A HELPING TEACHER; 3. A PRINCIPAL; 4. A SUPERINTENDENT; 5. A SUPERVISOR; OR 6. A TEACHER; (II) A LIBRARIAN OR CLERICAL EMPLOYEE OF A LIBRARIAN COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER THE COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER THE COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER THE EMPLOYEE DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, LOCAL EMPLOYER SHALL PAY THE EMPLOYER CONTRIBUTIONS THAT | | |
| 10 PARTICIPATING EMPLOYEE WHO IS: 11 (I) AN EMPLOYEE OF A DAY SCHOOL IN THE STATE U 12 THE AUTHORITY AND SUPERVISION OF A COUNTY BOARD OF EDUCATION O 13 BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS EMPLOYED AS: 14 1. A CLERK; 15 2. A HELPING TEACHER; 16 3. A PRINCIPAL; 17 4. A SUPERINTENDENT; 18 5. A SUPERVISOR; OR 19 6. A TEACHER; 20 (II) A LIBRARIAN OR CLERICAL EMPLOYEE OF A LIB 21 THAT IS ESTABLISHED OR OPERATES UNDER THE EDUCATION ARTICLE; OI 22 (III) A PROFESSIONAL EMPLOYEE AT A COMM 23 COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER TIT 24 OF THE EDUCATION ARTICLE. 25 (3) BEGINNING JULY 1, 2016, ON BEHALF OF A PARTICIP. 26 EMPLOYEE DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, 27 LOCAL EMPLOYER SHALL PAY THE EMPLOYER CONTRIBUTIONS THAT | 7 | (III) A COMMUNITY COLLEGE, OTHER THAN BALTIMORE CITY COMMUNITY COLLEGE, THAT IS ESTABLISHED UNDER THE EDUCATION ARTICLE. |
| THE AUTHORITY AND SUPERVISION OF A COUNTY BOARD OF EDUCATION O BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS EMPLOYED AS: 1. A CLERK; 1. A CLERK; 1. A HELPING TEACHER; 1. A SUPERINTENDENT; 1. A SUPERVISOR; OR 1. A SUPERVISOR; OR 1. A TEACHER; 1. THAT IS ESTABLISHED OR OPERATES UNDER THE EDUCATION ARTICLE; OF THE EDUCATION ARTICLE; OF THE EDUCATION ARTICLE; OF THE EDUCATION ARTICLE. 1. A SUPERVISOR; OR 1. A TEACHER; 1. A SUPERVISOR; OR 1. A TEACHER; 1. COMMISSIONAL EMPLOYEE OF A LIFT COMMISSIONAL EMPLOYEE AT A COMMISSIONAL EMPLOY | | |
| 2. A HELPING TEACHER; 3. A PRINCIPAL; 4. A SUPERINTENDENT; 5. A SUPERVISOR; OR 6. A TEACHER; (II) A LIBRARIAN OR CLERICAL EMPLOYEE OF A LIBRARIAN OR OPERATES UNDER THE EDUCATION ARTICLE; OR (III) A PROFESSIONAL EMPLOYEE AT A COMM COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER TITE OF THE EDUCATION ARTICLE. (3) BEGINNING JULY 1, 2016, ON BEHALF OF A PARTICIPAL EMPLOYEE DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, LOCAL EMPLOYER SHALL PAY THE EMPLOYER CONTRIBUTIONS THAT | 12 | THE AUTHORITY AND SUPERVISION OF A COUNTY BOARD OF EDUCATION OR THE |
| 3. A PRINCIPAL; 4. A SUPERINTENDENT; 5. A SUPERVISOR; OR 6. A TEACHER; 6. A TEACHER; 6. THAT IS ESTABLISHED OR OPERATES UNDER THE EDUCATION ARTICLE; OF 6. COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER THE COLLEGE OF THE EDUCATION ARTICLE. 6. COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER THE EDUCATION ARTICLE. 6. COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER THE EMPLOYEE DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, LOCAL EMPLOYER SHALL PAY THE EMPLOYER CONTRIBUTIONS THAT | 14 | 1. A CLERK; |
| 4. A SUPERINTENDENT; 5. A SUPERVISOR; OR 6. A TEACHER; (II) A LIBRARIAN OR CLERICAL EMPLOYEE OF A LIE THAT IS ESTABLISHED OR OPERATES UNDER THE EDUCATION ARTICLE; OR (III) A PROFESSIONAL EMPLOYEE AT A COMM COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER TIT OF THE EDUCATION ARTICLE. (3) BEGINNING JULY 1, 2016, ON BEHALF OF A PARTICIPAL EMPLOYEE DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, LOCAL EMPLOYER SHALL PAY THE EMPLOYER CONTRIBUTIONS THAT | 15 | 2. A HELPING TEACHER; |
| 5. A SUPERVISOR; OR 6. A TEACHER; (II) A LIBRARIAN OR CLERICAL EMPLOYEE OF A LIBRARIAN OR CLERICAL EMPLOYEE OF A LIBRARIAN OR CLERICAL EMPLOYEE OF A LIBRARIAN OR CLERICAL EMPLOYEE AT A COMM COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER TITTOF THE EDUCATION ARTICLE. (3) BEGINNING JULY 1, 2016, ON BEHALF OF A PARTICIPAL EMPLOYEE DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, LOCAL EMPLOYER SHALL PAY THE EMPLOYER CONTRIBUTIONS THAT | 16 | 3. A PRINCIPAL; |
| (II) A LIBRARIAN OR CLERICAL EMPLOYEE OF A LIE THAT IS ESTABLISHED OR OPERATES UNDER THE EDUCATION ARTICLE; OF COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER TIT OF THE EDUCATION ARTICLE. (3) BEGINNING JULY 1, 2016, ON BEHALF OF A PARTICIPAL EMPLOYEE DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, LOCAL EMPLOYER SHALL PAY THE EMPLOYER CONTRIBUTIONS THAT | 17 | 4. A SUPERINTENDENT; |
| (II) A LIBRARIAN OR CLERICAL EMPLOYEE OF A LIE THAT IS ESTABLISHED OR OPERATES UNDER THE EDUCATION ARTICLE; OF COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER TITE OF THE EDUCATION ARTICLE. (3) BEGINNING JULY 1, 2016, ON BEHALF OF A PARTICIPAL EMPLOYEE DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, LOCAL EMPLOYER SHALL PAY THE EMPLOYER CONTRIBUTIONS THAT | 18 | 5. A SUPERVISOR; OR |
| THAT IS ESTABLISHED OR OPERATES UNDER THE EDUCATION ARTICLE; OF THAT IS ESTABLISHED OR OPERATES UNDER THE EDUCATION ARTICLE; OF THE EDUCATION ARTICLE. (3) BEGINNING JULY 1, 2016, ON BEHALF OF A PARTICIPATION OF THE EDUCATION ARTICLE. EMPLOYEE DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, LOCAL EMPLOYER SHALL PAY THE EMPLOYER CONTRIBUTIONS THAT | 19 | 6. A TEACHER; |
| COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER TITE OF THE EDUCATION ARTICLE. (3) BEGINNING JULY 1, 2016, ON BEHALF OF A PARTICIPA EMPLOYEE DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, LOCAL EMPLOYER SHALL PAY THE EMPLOYER CONTRIBUTIONS THAT | | (II) A LIBRARIAN OR CLERICAL EMPLOYEE OF A LIBRARY THAT IS ESTABLISHED OR OPERATES UNDER THE EDUCATION ARTICLE; OR |
| EMPLOYEE DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, LOCAL EMPLOYER SHALL PAY THE EMPLOYER CONTRIBUTIONS THAT | 23 | (III) A PROFESSIONAL EMPLOYEE AT A COMMUNITY COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER TITLE 16 OF THE EDUCATION ARTICLE. |
| | 26 27 | EMPLOYEE DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, EACH LOCAL EMPLOYER SHALL PAY THE EMPLOYER CONTRIBUTIONS THAT ARE |

29

- 1 (II) 40% FOR FISCAL 2018;
- 2 (III) 60% FOR FISCAL 2019;
- 3 (IV) 80% FOR FISCAL 2020; AND
- 4 (V) 100% FOR FISCAL 2021 AND EACH FISCAL YEAR
- 5 THEREAFTER.
- 6 (C) (1) THIS SUBSECTION APPLIES TO PARTICIPATING EMPLOYEES 7 WHO ARE PAID THROUGH THE CENTRAL PAYROLL BUREAU.
- 8 (2) AS PAYROLLS ARE PAID, THE CENTRAL PAYROLL BUREAU
- 9 SHALL PAY THE EMPLOYER CONTRIBUTIONS TO THE APPLICABLE
- 10 SUPPLEMENTAL RETIREMENT PLAN AS DIRECTED BY THE BOARD.
- 11 (3) THE PAYMENTS SHALL BE CHARGED AGAINST THE BUDGETS
- 12 OF THE UNITS EMPLOYING THE PARTICIPATING EMPLOYEES.
- 13 (4) If A PARTICIPATING EMPLOYEE'S SALARY IS PAID FROM
- 14 SPECIAL FUNDS OR FEDERAL FUNDS OR BOTH, THE EMPLOYER CONTRIBUTION
- 15 FOR THAT EMPLOYEE SHALL BE PAID FROM THOSE FUNDS.
- 16 (D) (1) THIS SUBSECTION APPLIES TO PARTICIPATING EMPLOYEES
- 17 WHO ARE NOT PAID THROUGH THE CENTRAL PAYROLL BUREAU.
- 18 (2) THE BOARD SHALL PROVIDE BY REGULATION HOW
- 19 EMPLOYER CONTRIBUTIONS AND PARTICIPATING EMPLOYEE CONTRIBUTIONS
- 20 ARE TO BE MADE.
- 21 **41–208.**
- THE GOVERNOR SHALL INCLUDE IN THE ANNUAL STATE BUDGET BILL AN
- 23 APPROPRIATION THAT IS SUFFICIENT TO PAY THE EMPLOYER CONTRIBUTIONS
- 24 FOR PARTICIPATING EMPLOYEES REQUIRED UNDER § 41–207 OF THIS
- 25 SUBTITLE.
- 26 **41–209.**
- 27 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A PARTICIPATING
- 28 EMPLOYEE WHO BEFORE JULY 1, 2011, WAS A MEMBER OF THE EMPLOYEES'
- 29 PENSION SYSTEM OR THE TEACHERS' PENSION SYSTEM SHALL RECEIVE A
- 30 BENEFIT UNDER § 23–401 OF THIS ARTICLE FOR THE PERIOD OF TIME THE

- 1 PARTICIPATING EMPLOYEE WAS A MEMBER OF THE EMPLOYEES' PENSION
- 2 System or Teachers' Pension System.
- 3 (B) TO QUALIFY FOR A BENEFIT FROM THE EMPLOYEES' PENSION
- 4 SYSTEM OR THE TEACHERS' PENSION SYSTEM UNDER SUBSECTION (A) OF THIS
- 5 SECTION, THE PARTICIPATING EMPLOYEE IS SUBJECT TO THE PROVISIONS OF
- 6 TITLE 23 OF THIS ARTICLE.
- 7 (C) AN ELIGIBLE EMPLOYEE WHO ON JUNE 30, 2011, HAS LESS THAN 5
- 8 YEARS OF SERVICE CREDIT IN THE EMPLOYEES' PENSION SYSTEM OR THE
- 9 TEACHERS' PENSION SYSTEM SHALL RECEIVE A RETURN OF THE ELIGIBLE
- 10 EMPLOYEE'S MEMBER CONTRIBUTIONS, WITH REGULAR INTEREST, FROM THE
- 11 EMPLOYEES' PENSION SYSTEM OR THE TEACHERS' PENSION SYSTEM.
- 12 **41–210.**
- 13 (A) IF A PARTICIPATING EMPLOYEE HAS ACCUMULATED AT LEAST
- \$2,000 IN THE PARTICIPATING EMPLOYEE'S ACCOUNT, THE PARTICIPATING
- 15 EMPLOYEE MAY BORROW UP TO 50% OF THE PARTICIPATING EMPLOYEE'S
- 16 ACCOUNT BALANCE NOT TO EXCEED \$50,000.
- 17 (B) A PARTICIPATING EMPLOYEE WHO BORROWS AGAINST THE
- 18 PARTICIPATING EMPLOYEE'S ACCOUNT UNDER SUBSECTION (A) OF THIS
- 19 SECTION SHALL REPAY THE LOAN WITHIN 5 YEARS UNLESS THE LOAN WAS
- 20 APPLIED TO THE PARTICIPATING EMPLOYEE'S PRIMARY RESIDENCE.
- 21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 22 July 1, 2011.