

# HOUSE BILL 1344

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By: **Delegates Serafini, Afzali, Aumann, Bates, Dwyer, Eckardt, Elliott, George, Haddaway-Riccio, Hogan, Hough, Impallaria, Krebs, McConkey, W. Miller, Myers, Norman, O'Donnell, Otto, Parrott, Ready, Schulz, Stifler, Stocksedale, and Szeliga**

Rules suspended

Introduced and read first time: March 9, 2011

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Guaranteed Retirement Income Plan**  
3 **and Retirement Savings Plan**

4 FOR the purpose of establishing a guaranteed retirement income plan and a  
5 retirement savings plan under the State Retirement and Pension System;  
6 requiring that certain members of the Employees' Pension System or the  
7 Teachers' Pension System become members of the guaranteed retirement  
8 income plan or the retirement savings plan on a certain date; requiring that  
9 certain individuals who are employed by certain participating employers on or  
10 after a certain date become members of the guaranteed retirement income plan  
11 or the retirement savings plan; providing that certain individuals are not  
12 eligible to participate in the optional retirement program on or after a certain  
13 date; providing that certain provisions of this Act do not apply to certain  
14 participating governmental units; requiring the Board of Trustees of the State  
15 Retirement and Pension System to administer a guaranteed retirement income  
16 plan and a retirement savings plan; requiring certain participating employees  
17 to contribute a certain percentage of the participating employee's regular  
18 earnings to the guaranteed retirement income plan; providing that certain  
19 participating employees who rejoin employment with certain participating  
20 employers after certain military service, shall be credited certain contributions;  
21 requiring the State to pay certain contributions on behalf of certain  
22 participating employees of the guaranteed retirement income plan; requiring  
23 that certain participating employees of the guaranteed retirement income plan  
24 receive certain credited service for certain service; providing that certain  
25 participating employees of the guaranteed retirement income plan have a  
26 certain vested interest in certain contributions after a certain period of time;  
27 providing for the normal retirement age and eligibility to receive a normal

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 retirement in the guaranteed retirement income plan; providing that certain  
2 participating employees of the guaranteed retirement income plan may receive  
3 certain retirement benefit distributions in a certain manner; providing for  
4 certain disability benefits for certain participating employees of the guaranteed  
5 retirement income plan; providing for certain death benefits for certain  
6 participating employees of the guaranteed retirement income plan; requiring  
7 certain participating employees to contribute a certain percentage of the  
8 participating employee's regular earnings to the retirement savings plan;  
9 requiring the State to pay certain contributions on behalf of certain  
10 participating employees of the retirement savings plan; providing that certain  
11 participating employees of the retirement savings plan shall forfeit any interest  
12 in certain contributions under certain circumstances; providing that certain  
13 participating employees of the retirement savings plan may make certain  
14 annual additions under certain circumstances; requiring that certain annual  
15 additions be treated in a certain manner; requiring the Board of Trustees to  
16 provide certain participating employees of the retirement savings plan with  
17 certain investment options; authorizing certain participating employees of the  
18 retirement savings plan to direct certain investments in a certain manner;  
19 requiring the Board of Trustees to maintain certain accounts in a certain  
20 manner for certain participating employees of the retirement savings plan;  
21 requiring that certain participating employees who participate in the retirement  
22 savings plan and who rejoin employment with certain participating employers  
23 after certain military service shall receive certain service credit for that military  
24 service; requiring that certain participating employees of the retirement savings  
25 plan receive certain creditable service for certain service; providing for the  
26 benefits that a participating employee in the retirement savings plan will  
27 receive on reaching normal retirement age; providing that certain participating  
28 employees of the retirement savings plan have a certain vested interest in  
29 certain contributions after a certain period of time; providing for certain  
30 disability benefits for certain participating employees of the retirement savings  
31 plan; providing for certain death benefits for certain participating employees of  
32 the retirement savings plan; requiring that certain participating employees of  
33 the retirement savings plan may designate certain beneficiaries in a certain  
34 manner; requiring certain participating employees of the retirement savings  
35 plan to forfeit certain contributions under certain circumstances; authorizing  
36 the Board of Trustees to reinstate certain forfeited contributions in a certain  
37 manner for certain participating employees of the retirement savings plan;  
38 providing that certain participating employees of the retirement savings plan  
39 may receive certain retirement benefit distributions in a certain manner;  
40 requiring that certain contributions made by the State to the retirement savings  
41 plan on behalf of certain participating employees are subject to appropriation;  
42 providing that certain participating employees of the retirement savings plan  
43 may request certain decisions in writing by the Board of Trustees; requiring the  
44 Board of Trustees to respond to certain requests in a certain manner; requiring  
45 the Board of Trustees to submit a certain annual report to the Senate Budget  
46 and Taxation Committee and the House Appropriations Committee; requiring  
47 the Board of Trustees to provide certain information to the public and certain  
48 participating employees; creating a certain trust as part of the retirement

1 savings plan; providing for the powers and duties of the Board of Trustees with  
 2 respect to the investments of the retirement savings plan; specifying the duties  
 3 of the Board of Trustees with respect to the participating employees of the  
 4 retirement savings plan; prohibiting the Board of Trustees from making certain  
 5 types of investment or engaging in certain transactions; authorizing the Board  
 6 of Trustees to appoint certain investment managers; providing that the State  
 7 assumes no contractual obligation to continue the retirement savings plan and  
 8 may amend it periodically; providing that the State may terminate the  
 9 retirement savings plan; providing that the rights of certain participating  
 10 employees of the retirement savings plan are not subject to certain legal actions;  
 11 providing that certain participating employees of the retirement savings plan  
 12 may be subject to certain legal actions under certain circumstances; defining  
 13 certain terms; and generally relating to establishing a guaranteed retirement  
 14 income plan and a retirement savings plan within the State Retirement and  
 15 Pension System.

16 BY adding to  
 17 Article – State Personnel and Pensions  
 18 Section 20–101(t–1) and (mm–1); 33–101 through 33–403 to be under the new  
 19 title “Title 33. Guaranteed Retirement Income Plan”; and 33A–101  
 20 through 33A–505 to be under the new title “Title 33A. Retirement  
 21 Savings Plan”  
 22 Annotated Code of Maryland  
 23 (2009 Replacement Volume and 2010 Supplement)

24 BY repealing and reenacting, with amendments,  
 25 Article – State Personnel and Pensions  
 26 Section 23–203, 23–204(c), 23–208, and 30–302  
 27 Annotated Code of Maryland  
 28 (2009 Replacement Volume and 2010 Supplement)

29 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 30 MARYLAND, That the Laws of Maryland read as follows:

31 **Article – State Personnel and Pensions**

32 20–101.

33 **(T–1) “GUARANTEED RETIREMENT INCOME PLAN” MEANS THE**  
 34 **GUARANTEED RETIREMENT INCOME PLAN UNDER TITLE 33 OF THIS ARTICLE.**

35 **(MM–1) “RETIREMENT SAVINGS PLAN” MEANS THE RETIREMENT**  
 36 **SAVINGS PLAN UNDER TITLE 33A OF THIS ARTICLE.**

37 23–203.

1           **(A) (1)** Except as provided in § 23–204 of this subtitle **AND SUBSECTION**  
2 **(B)(2) OF THIS SECTION**, an individual described in § 23–201(a) of this subtitle who  
3 becomes an employee of a participating employer on or after January 1, 1980, **AND ON**  
4 **OR BEFORE MAY 31, 2011**, or who transfers membership from the Employees’  
5 Retirement System **ON OR BEFORE MAY 31, 2011**, is a member of the Employees’  
6 Pension System as a condition of employment.

7           **(2) AN INDIVIDUAL DESCRIBED IN § 23–201(A) OF THIS**  
8 **SUBTITLE, OTHER AN EMPLOYEE OF A PARTICIPATING GOVERNMENTAL UNIT,**  
9 **WHO IS A MEMBER OF THE EMPLOYEES’ PENSION SYSTEM ON MAY 31, 2011,**  
10 **AND REMAINS A MEMBER OF THE EMPLOYEE’S PENSION SYSTEM ON JUNE 1,**  
11 **2011:**

12           **(I) SHALL MAKE A ONETIME IRREVOCABLE ELECTION**  
13 **UNDER § 33–203 OF THIS ARTICLE TO BECOME A MEMBER OF THE GUARANTEED**  
14 **RETIREMENT INCOME PLAN UNDER TITLE 33 OF THIS ARTICLE OR UNDER §**  
15 **33A–203 OF THIS ARTICLE TO BECOME A MEMBER OF THE RETIREMENT**  
16 **SAVINGS PLAN UNDER TITLE 33A OF THIS ARTICLE; AND**

17           **(II) IS NOT A MEMBER OF THE EMPLOYEES’ PENSION**  
18 **SYSTEM ON OR AFTER JULY 1, 2011.**

19           **(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**  
20 **SUBSECTION, AN INDIVIDUAL WHO IS NOT A MEMBER OF THE EMPLOYEES’**  
21 **PENSION SYSTEM ON MAY 31, 2011, IS NOT ELIGIBLE FOR MEMBERSHIP IN THE**  
22 **EMPLOYEES’ PENSION SYSTEM.**

23           **(2) AN INDIVIDUAL IS A MEMBER OF THE EMPLOYEES’ PENSION**  
24 **SYSTEM IF THE INDIVIDUAL COMMENCES EMPLOYMENT ON OR AFTER JUNE 1,**  
25 **2011, FOR A PARTICIPATING GOVERNMENTAL UNIT THAT ELECTED TO JOIN THE**  
26 **EMPLOYEES’ PENSION SYSTEM ON OR BEFORE MAY 31, 2011.**

27 23–204.

28           **(c) (1) [Subject] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**  
29 **SUBSECTION AND SUBJECT to paragraph [(2)] (3) of this subsection, membership in**  
30 **the Employees’ Pension System is optional for an individual described in §**  
31 **23–201(a)(2)(iv) of this subtitle who is elected or appointed as the Baltimore City**  
32 **Sheriff ON OR BEFORE MAY 31, 2011.**

33           **(2) AN INDIVIDUAL DESCRIBED IN § 23–201(A)(2)(IV) OF THIS**  
34 **SUBTITLE WHO IS A MEMBER OF THE EMPLOYEES’ PENSION SYSTEM ON MAY**  
35 **31, 2011, AND REMAINS AS THE BALTIMORE CITY SHERIFF ON JUNE 1, 2011:**

1                   **(I) SHALL MAKE AN ELECTION UNDER § 33-203 OF THIS**  
2 **ARTICLE TO BECOME A MEMBER OF THE GUARANTEED RETIREMENT INCOME**  
3 **PLAN UNDER TITLE 33 OF THIS ARTICLE OR UNDER § 33A-203 OF THIS ARTICLE**  
4 **TO BECOME A MEMBER OF THE RETIREMENT SAVINGS PLAN UNDER TITLE 33A**  
5 **OF THIS ARTICLE; AND**

6                   **(II) IS NOT A MEMBER OF THE EMPLOYEES' PENSION**  
7 **SYSTEM ON OR AFTER JULY 1, 2011.**

8                   **(3) (I)** An individual who is elected or appointed as the Baltimore  
9 City Sheriff **ON OR BEFORE MAY 31, 2011**, and who does not elect to join the  
10 Employees' Pension System is a member of the Law Enforcement Officers' Pension  
11 System under Title 26 of this article as a condition of employment.

12                   **(II) AN INDIVIDUAL WHO IS ELECTED AS THE BALTIMORE**  
13 **CITY SHERIFF ON OR AFTER JUNE 1, 2011, AND WHO DOES NOT ELECT TO JOIN**  
14 **THE RETIREMENT SAVINGS PLAN UNDER TITLE 33A OF THIS ARTICLE OR THE**  
15 **GUARANTEED RETIREMENT INCOME PLAN UNDER TITLE 33 OF THIS ARTICLE, IS**  
16 **A MEMBER OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM UNDER**  
17 **TITLE 26 OF THIS ARTICLE AS A CONDITION OF EMPLOYMENT.**

18                   **[(3)] (4) (I)** To elect to be a member of the Employees' Pension  
19 System **ON OR BEFORE MAY 31, 2011**, under this subsection, an individual shall file  
20 a written application with the State Retirement Agency.

21                   **[(4)] (II)** An individual who does not elect membership within 6  
22 months of the date the individual begins serving as the Baltimore City Sheriff shall  
23 become a member of the Law Enforcement Officers' Pension System.

24 23-208.

25                   **(A) (1)** Except as provided in § 23-209 of this subtitle, an individual  
26 described in § 23-206(a) of this subtitle who becomes employed by a participating  
27 employer on or after January 1, 1980, **AND ON OR BEFORE MAY 31, 2011**, or who  
28 transfers membership from the Teachers' Retirement System **ON OR BEFORE MAY**  
29 **31, 2011**, is a member of the Teachers' Pension System as a condition of employment.

30                   **(2) AN INDIVIDUAL DESCRIBED IN § 23-206(A) OF THIS SUBTITLE**  
31 **WHO IS A MEMBER OF THE TEACHERS' PENSION SYSTEM ON MAY 31, 2011, AND**  
32 **REMAINS A MEMBER OF THE TEACHERS' PENSION SYSTEM ON JUNE 1, 2011:**

33                   **(I) SHALL MAKE AN ELECTION UNDER § 33-203 OF THIS**  
34 **ARTICLE TO BECOME A MEMBER OF THE GUARANTEED RETIREMENT INCOME**  
35 **PLAN UNDER TITLE 33 OF THIS ARTICLE OR UNDER § 33A-203 OF THIS ARTICLE**

1 TO BECOME A MEMBER OF THE RETIREMENT SAVINGS PLAN UNDER TITLE 33A  
2 OF THIS ARTICLE; AND

3 (II) IS NOT A MEMBER OF THE TEACHERS' PENSION SYSTEM  
4 ON OR AFTER JULY 1, 2011.

5 (B) AN INDIVIDUAL WHO IS NOT A MEMBER OF THE TEACHERS'  
6 PENSION SYSTEM ON MAY 31, 2011, IS NOT ELIGIBLE FOR MEMBERSHIP IN THE  
7 TEACHERS' PENSION SYSTEM.

8 30-302.

9 (a) (1) [An] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS  
10 SUBSECTION, AN election to participate in the program shall be made by an eligible  
11 employee within 1 year of first becoming an eligible employee of an employing  
12 institution.

13 (2) AN INDIVIDUAL WHO DOES NOT ELECT TO PARTICIPATE IN  
14 THE PROGRAM ON OR BEFORE MAY 31, 2011, IS NOT ELIGIBLE FOR  
15 MEMBERSHIP IN THE PROGRAM.

16 (b) An eligible employee's election to participate in the program is a  
17 one-time irrevocable election.

### 18 TITLE 33. GUARANTEED RETIREMENT INCOME PLAN.

#### 19 SUBTITLE 1. DEFINITIONS; SCOPE OF TITLE.

20 33-101.

21 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
22 INDICATED.

23 (B) (1) "ELIGIBLE EMPLOYEE" MEANS AN INDIVIDUAL WHO IS  
24 DESCRIBED IN:

25 (I) § 23-201(A) OF THIS ARTICLE OTHER THAN AN  
26 EMPLOYEE OF A PARTICIPATING GOVERNMENTAL UNIT; OR

27 (II) § 23-206(A) OF THIS ARTICLE.

28 (2) "ELIGIBLE EMPLOYEE" DOES NOT INCLUDE AN INDIVIDUAL  
29 WHO, ON OR BEFORE MAY 31, 2011, IS A MEMBER OF THE OPTIONAL  
30 RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE.

1           (C) “PARTICIPATING EMPLOYEE” MEANS AN ELIGIBLE EMPLOYEE WHO  
2 PARTICIPATES IN THE GUARANTEED RETIREMENT INCOME PLAN.

3           (D) “PARTICIPATING EMPLOYEE’S MEMBER CONTRIBUTIONS ACCOUNT”  
4 MEANS THE PORTION OF A PARTICIPATING EMPLOYEE’S ACCOUNT BALANCE IN  
5 THE GUARANTEED RETIREMENT INCOME PLAN THAT IS ATTRIBUTABLE TO  
6 MEMBER CONTRIBUTIONS, INCLUDING ANY CONTRIBUTIONS PICKED UP BY THE  
7 STATE UNDER § 21-313 OF THIS ARTICLE AND ANY GAINS OR LOSSES  
8 ATTRIBUTABLE TO THOSE CONTRIBUTIONS.

9           (E) “REGULAR EARNINGS” MEANS GROSS PAY FOR ACTUAL HOURS  
10 WORKED EXCLUSIVE OF OVERTIME, WITHOUT REDUCTION FOR MEMBER  
11 CONTRIBUTIONS THAT ARE PICKED UP BY THE STATE UNDER § 21-313 OF THIS  
12 ARTICLE OR CONTRIBUTIONS TO ANY STATE DEFERRED COMPENSATION PLAN  
13 UNDER TITLE 32 OR TITLE 35 OF THIS ARTICLE.

14           (F) “RETIREMENT ACCOUNTS” MEANS THE PARTICIPATING  
15 EMPLOYEE’S MEMBER CONTRIBUTIONS ACCOUNT, AN EMPLOYER  
16 CONTRIBUTIONS ACCOUNT, AND ANY ROLLOVER CONTRIBUTIONS ACCOUNT.

17           (G) “ROLLOVER CONTRIBUTIONS” MEANS THAT PORTION OF A  
18 PARTICIPATING EMPLOYEE’S ACCOUNT BALANCE IN THE GUARANTEED  
19 RETIREMENT INCOME PLAN THAT IS ATTRIBUTABLE TO ANY ASSETS  
20 TRANSFERRED OR ROLLED OVER TO THE GUARANTEED RETIREMENT INCOME  
21 PLAN FROM ANOTHER QUALIFIED PENSION OR PROFIT SHARING PLAN UNDER  
22 THE INTERNAL REVENUE CODE.

23           (H) “VALUATION DATE” MEANS THE LAST BUSINESS DAY OF MARCH,  
24 JUNE, SEPTEMBER, AND DECEMBER OF EACH PLAN YEAR, AND ANY OTHER  
25 DATE THE BOARD OF TRUSTEES ESTABLISHES IN A UNIFORM AND  
26 NONDISCRIMINATORY MANNER FOR DETERMINING THE FAIR MARKET VALUE OF  
27 THE ASSETS OF THE GUARANTEED RETIREMENT INCOME PLAN.

28 **33-102.**

29           THIS TITLE DOES NOT APPLY TO ANY PARTICIPATING GOVERNMENTAL  
30 UNIT THAT PARTICIPATES IN THE EMPLOYEES’ PENSION SYSTEM UNDER TITLE  
31 31 OF THIS ARTICLE.

32           **SUBTITLE 2. ESTABLISHMENT; ADMINISTRATION; PARTICIPATION.**

33 **33-201.**

34           **THERE IS A GUARANTEED RETIREMENT INCOME PLAN.**

1 **33-202.**

2 (A) (1) THE BOARD OF TRUSTEES SHALL:

3 (I) ADMINISTER THE GUARANTEED RETIREMENT INCOME  
4 PLAN;

5 (II) DECIDE THE ELIGIBILITY OF ANY PARTICIPATING  
6 EMPLOYEE AND THE RIGHTS OF ANY PARTICIPATING EMPLOYEE OR  
7 BENEFICIARY TO RECEIVE BENEFITS;

8 (III) COMPUTE THE AMOUNT OF BENEFITS PAYABLE TO ANY  
9 PARTICIPATING EMPLOYEE OR BENEFICIARY; AND

10 (IV) AUTHORIZE DISBURSEMENTS OF BENEFITS.

11 (2) A DETERMINATION BY THE BOARD OF TRUSTEES ON ANY  
12 MATTER WITHIN ITS AUTHORITY UNDER THIS PLAN IS FINAL AND BINDING ON  
13 ALL INTERESTED PARTIES.

14 (B) THE BOARD OF TRUSTEES SHALL ADOPT REGULATIONS TO CARRY  
15 OUT THE PROVISIONS OF THIS TITLE.

16 **33-203.**

17 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AN  
18 INDIVIDUAL IS A PARTICIPATING EMPLOYEE OF THE GUARANTEED RETIREMENT  
19 INCOME PLAN AS A CONDITION OF EMPLOYMENT IF THE INDIVIDUAL:

20 (1) COMMENCES EMPLOYMENT AS AN ELIGIBLE EMPLOYEE ON OR  
21 AFTER JUNE 1, 2011; OR

22 (2) (I) WAS A MEMBER OF THE EMPLOYEES' PENSION SYSTEM  
23 OR TEACHERS' PENSION SYSTEM ON OR BEFORE MAY 31, 2011, AND BECOMES  
24 AN ELIGIBLE EMPLOYEE ON JUNE 1, 2011; AND

25 (II) 1. ON OR BEFORE JUNE 15, 2011, ELECTS TO  
26 PARTICIPATE IN THE GUARANTEED RETIREMENT INCOME PLAN; OR

27 2. DOES NOT MAKE AN ELECTION ON OR BEFORE  
28 JUNE 15, 2011, TO PARTICIPATE IN THE GUARANTEED RETIREMENT INCOME  
29 PLAN UNDER THIS TITLE OR THE RETIREMENT SAVINGS PLAN UNDER TITLE  
30 33A OF THIS ARTICLE.



1           **(B) (1) THIS SUBSECTION APPLIES TO AN ELIGIBLE EMPLOYEE WHO:**

2                           **(I) COMMENCES EMPLOYMENT WITH A PARTICIPATING**  
3 **EMPLOYER ON OR AFTER JUNE 1, 2011; AND**

4                           **(II) BEFORE JUNE 1, 2011, WAS NOT A MEMBER OF THE**  
5 **EMPLOYEES' PENSION SYSTEM OR TEACHERS' PENSION SYSTEM.**

6           **(2) AN ELIGIBLE EMPLOYEE MAY PARTICIPATE IN THE**  
7 **GUARANTEED RETIREMENT INCOME PLAN UNDER THIS TITLE OR THE**  
8 **RETIREMENT SAVINGS PLAN UNDER TITLE 33A OF THIS ARTICLE.**

9           **(3) AN ELIGIBLE EMPLOYEE SHALL MAKE A ONETIME**  
10 **IRREVOCABLE ELECTION DURING THE FIRST 150 DAYS OF EMPLOYMENT TO**  
11 **PARTICIPATE IN EITHER THE GUARANTEED RETIREMENT INCOME PLAN UNDER**  
12 **THIS TITLE OR THE RETIREMENT SAVINGS PLAN UNDER TITLE 33A OF THIS**  
13 **ARTICLE.**

14           **(4) IF AN ELIGIBLE EMPLOYEE ELECTS TO PARTICIPATE IN THE**  
15 **GUARANTEED RETIREMENT INCOME PLAN, PARTICIPATION SHALL BEGIN ON**  
16 **THE FIRST PAY PERIOD AFTER AN ELIGIBLE EMPLOYEE HAS COMPLETED 180**  
17 **DAYS OF FULL-TIME EMPLOYMENT WITH A PARTICIPATING EMPLOYER.**

18           **SUBTITLE 3. CONTRIBUTIONS; SERVICE CREDIT; VESTING.**

19           **33-301.**

20           **(A) A PARTICIPATING EMPLOYEE IN THE GUARANTEED RETIREMENT**  
21 **INCOME PLAN SHALL CONTRIBUTE 4% OF THE PARTICIPATING EMPLOYEE'S**  
22 **REGULAR EARNINGS LESS THAN OR EQUAL TO THE SOCIAL SECURITY WAGE**  
23 **BASE AND 8% OF THE PARTICIPATING REGULAR EARNINGS THAT EXCEED THE**  
24 **SOCIAL SECURITY WAGE BASE.**

25           **(B) (1) TO THE EXTENT ALLOWED UNDER § 414(H)(2) OF THE**  
26 **INTERNAL REVENUE CODE, THE STATE SHALL PICK UP AS DESCRIBED IN §**  
27 **21-317 OF THIS ARTICLE MEMBER CONTRIBUTIONS TO THE GUARANTEED**  
28 **RETIREMENT INCOME PLAN.**

29           **(2) A PARTICIPATING EMPLOYEE IS 100% VESTED IN THE**  
30 **PARTICIPATING EMPLOYEE'S MEMBER CONTRIBUTIONS.**

31           **(C) (1) WHEN A PARTICIPATING EMPLOYEE REJOINS EMPLOYMENT**  
32 **WITH A PARTICIPATING EMPLOYER AFTER MILITARY SERVICE THAT QUALIFIES**

1 UNDER TITLE 38 OF THIS ARTICLE AS CREDITABLE SERVICE, THE BOARD OF  
2 TRUSTEES SHALL CREDIT THE PARTICIPATING EMPLOYEE WITH THE AMOUNT  
3 THAT THE PARTICIPATING EMPLOYEE WOULD HAVE CONTRIBUTED IF THE  
4 PARTICIPATING EMPLOYEE HAD WORKED FOR A PARTICIPATING EMPLOYER  
5 DURING MILITARY SERVICE.

6 (2) (I) CONTRIBUTION CREDITS FOR MILITARY SERVICE  
7 UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE BASED ON THE  
8 REGULAR EARNINGS THE PARTICIPATING EMPLOYEE WOULD HAVE EARNED  
9 DURING MILITARY SERVICE.

10 (II) IF THE REGULAR EARNINGS ARE NOT REASONABLY  
11 ASCERTAINABLE, THE CREDIT SHALL BE BASED ON THE PARTICIPATING  
12 EMPLOYEE'S REGULAR EARNINGS DURING A PERIOD IMMEDIATELY PRECEDING  
13 THE MILITARY SERVICE.

14 (III) A PARTICIPATING EMPLOYEE MAY NOT RECEIVE ANY  
15 RETROACTIVE CREDITED INTEREST ON THE CONTRIBUTION CREDITS.

16 (3) (I) A PARTICIPATING EMPLOYEE IN THE GUARANTEED  
17 RETIREMENT INCOME PLAN SHALL RECEIVE CREDITED INTEREST AT AN  
18 ANNUAL RATE OF 5% ON THE PARTICIPATING EMPLOYEE'S MEMBER  
19 CONTRIBUTIONS IN THE PARTICIPATING EMPLOYEE'S GUARANTEED  
20 RETIREMENT INCOME PLAN ACCOUNT.

21 (II) IF THE ANNUAL 5% INTEREST RATE DOES NOT COMPLY  
22 WITH APPLICABLE LAW, THE THIRD SEGMENT RATE DESCRIBED IN §  
23 430(H)(2)(G) OF THE INTERNAL REVENUE CODE OR ANY SUCCESSOR  
24 PROVISION SHALL APPLY.

25 (III) INTEREST SHALL BE CREDITED TO A PARTICIPATING  
26 EMPLOYEE'S GUARANTEED RETIREMENT INCOME PLAN ACCOUNT BALANCE ON  
27 A MONTHLY BASIS AS OF THE LAST DAY OF THE MONTH.

28 (4) (I) A PARTICIPATING EMPLOYEE WHO ENDS EMPLOYMENT  
29 WITH A PARTICIPATING EMPLOYER AND IS NOT VESTED UNDER § 33-304 OF  
30 THIS SUBTITLE SHALL RECEIVE A DISTRIBUTION OF THE PARTICIPATING  
31 EMPLOYEE'S GUARANTEED RETIREMENT INCOME PLAN ACCOUNT BALANCE  
32 ATTRIBUTABLE TO MEMBER CONTRIBUTIONS UNDER SUBSECTION (A) OF THIS  
33 SECTION AND INTEREST ON THOSE CONTRIBUTIONS AS SOON AS REASONABLY  
34 FEASIBLE AFTER THE PARTICIPATING EMPLOYEE SUBMITS A PROPERLY  
35 COMPLETED DISTRIBUTION FORM.

1                   (II) ANY DEATH BENEFITS SHALL BE PAID UNDER § 33-403  
2 OF THIS TITLE.

3                   (III) ANY INDEBTEDNESS TO THE STATE SHALL BE  
4 SUBTRACTED FROM THE PARTICIPATING EMPLOYEE'S DISTRIBUTION UNDER  
5 SUBPARAGRAPH (I) OF THIS PARAGRAPH.

6 **33-302.**

7           (A) (1) EACH PAY PERIOD, THE STATE SHALL CREDIT TO EACH  
8 PARTICIPATING EMPLOYEE'S GUARANTEED RETIREMENT INCOME PLAN  
9 ACCOUNT AN AMOUNT EQUAL TO 8% OF THE PARTICIPATING EMPLOYEE'S  
10 REGULAR EARNINGS.

11                   (2) (I) INTEREST SHALL BE CREDITED AT AN ANNUAL RATE OF  
12 5% ON THE EMPLOYER CONTRIBUTIONS.

13                   (II) IF THE ANNUAL 5% INTEREST RATE DOES NOT COMPLY  
14 WITH APPLICABLE LAW, THE THIRD SEGMENT RATE DESCRIBED IN §  
15 430(H)(2)(G) OF THE INTERNAL REVENUE CODE OR ANY SUCCESSOR  
16 PROVISION SHALL APPLY.

17                   (III) INTEREST SHALL BE CREDITED TO A PARTICIPATING  
18 EMPLOYEE'S GUARANTEED RETIREMENT INCOME PLAN ACCOUNT BALANCE ON  
19 A MONTHLY BASIS AS OF THE LAST DAY OF THE MONTH.

20           (B) (1) WHEN A PARTICIPATING EMPLOYEE REJOINS EMPLOYMENT  
21 WITH A PARTICIPATING EMPLOYER AFTER MILITARY SERVICE THAT QUALIFIES  
22 UNDER TITLE 38 OF THIS ARTICLE AS CREDITABLE SERVICE, THE BOARD OF  
23 TRUSTEES SHALL CREDIT THE PARTICIPATING EMPLOYEE THE AMOUNT THAT  
24 THE STATE WOULD HAVE CREDITED THE PARTICIPATING EMPLOYEE IF THE  
25 PARTICIPATING EMPLOYEE WORKED FOR A PARTICIPATING EMPLOYER DURING  
26 MILITARY SERVICE.

27                   (2) THE EMPLOYER CONTRIBUTIONS UNDER PARAGRAPH (1) OF  
28 THIS SUBSECTION SHALL BE BASED ON THE REGULAR EARNINGS THE  
29 PARTICIPATING EMPLOYEE WOULD HAVE EARNED DURING MILITARY SERVICE.

30                   (3) IF THE PARTICIPATING EMPLOYEE'S REGULAR EARNINGS ARE  
31 NOT REASONABLY ASCERTAINABLE, THE EMPLOYER CONTRIBUTIONS SHALL BE  
32 BASED ON THE PARTICIPATING EMPLOYEE'S REGULAR EARNINGS DURING A  
33 PERIOD IMMEDIATELY PRECEDING MILITARY SERVICE.

1           **(4) THE PARTICIPATING EMPLOYEE MAY NOT RECEIVE ANY**  
2 **RETROACTIVE CREDITED INTEREST ON THE EMPLOYER CONTRIBUTION**  
3 **CREDITS.**

4           **(5) FOR ANY PARTICIPATING EMPLOYEE WHO RECEIVED AN**  
5 **EMPLOYER CONTRIBUTION TO THE PARTICIPATING EMPLOYEE'S GUARANTEED**  
6 **RETIREMENT INCOME PLAN ACCOUNT UNDER SUBSECTION (A) OF THIS**  
7 **SECTION, INTEREST SHALL BE CREDITED AT AN ANNUAL RATE OF 5%.**

8           **(6) IF THE ANNUAL 5% INTEREST RATE DOES NOT COMPLY WITH**  
9 **APPLICABLE LAW, THE THIRD SEGMENT RATE DESCRIBED IN § 430(H)(2)(G) OF**  
10 **THE INTERNAL REVENUE CODE OR ANY SUCCESSOR PROVISION SHALL APPLY.**

11           **(7) INTEREST SHALL BE CREDITED TO A PARTICIPATING**  
12 **EMPLOYEE'S GUARANTEED RETIREMENT INCOME PLAN ACCOUNT BALANCE ON**  
13 **A MONTHLY BASIS AS OF THE LAST DAY OF THE MONTH.**

14 **33-303.**

15           **(A) (1) A PARTICIPATING EMPLOYEE SHALL RECEIVE 1 YEAR OF**  
16 **CREDITED SERVICE FOR EACH YEAR OF SERVICE WHILE PARTICIPATING IN THE**  
17 **GUARANTEED RETIREMENT INCOME PLAN.**

18           **(2) EACH YEAR OF SERVICE IN THE GUARANTEED RETIREMENT**  
19 **INCOME PLAN ENDS ON THE ANNIVERSARY OF THE PARTICIPATING EMPLOYEE'S**  
20 **DATE OF INITIAL PARTICIPATION IN THE GUARANTEED RETIREMENT INCOME**  
21 **PLAN.**

22           **(B) CREDITED SERVICE INCLUDES ANY PERIOD OF SERVICE IN THE**  
23 **ARMED FORCES OF THE UNITED STATES OR A STATE MILITIA OR OTHER**  
24 **MILITARY SERVICE COVERED UNDER THE UNIFORMED SERVICES EMPLOYMENT**  
25 **AND REEMPLOYMENT RIGHTS ACT OF 1994, 38 U.S.C. § 4301 ET SEQ., IF THE**  
26 **MEMBER:**

27           **(1) WAS A PARTICIPATING EMPLOYEE OF THE GUARANTEED**  
28 **RETIREMENT INCOME PLAN WHEN THE MILITARY SERVICE BEGAN; AND**

29           **(2) APPLIED FOR REEMPLOYMENT OR RETURNED TO**  
30 **EMPLOYMENT WITH A PARTICIPATING EMPLOYER:**

31           **(I) WITHIN 1 YEAR AFTER DISCHARGE FROM THE MILITARY**  
32 **SERVICE AND WITHOUT ANY OTHER EMPLOYMENT AFTER DISCHARGE FROM**  
33 **THE MILITARY SERVICE;**

1 (II) WITHIN 2 YEARS AFTER COMPLETION OF MILITARY  
2 SERVICE IF THE PARTICIPATING EMPLOYEE WAS HOSPITALIZED OR  
3 CONVALESCING FROM AN ILLNESS OR INJURY INCURRED OR AGGRAVATED  
4 DURING MILITARY SERVICE; OR

5 (III) MORE THAN 2 YEARS IF CIRCUMSTANCES BEYOND THE  
6 CONTROL OF THE PARTICIPATING EMPLOYEE MADE IT IMPOSSIBLE OR  
7 UNREASONABLE FOR THE PARTICIPATING EMPLOYEE TO APPLY FOR  
8 REEMPLOYMENT WITHIN 2 YEARS.

9 (C) THE TOTAL PERIOD OF MILITARY SERVICE MAY NOT EXCEED 5  
10 YEARS, EXCLUDING PERIODS OF MILITARY SERVICE DESCRIBED UNDER TITLE  
11 38, CHAPTER 43, §§ 4312(C)(1) THROUGH (4) OF UNITED STATES CODE.

12 (D) A PARTICIPATING EMPLOYEE WHO DOES NOT BECOME A MEMBER  
13 OF THE GUARANTEED RETIREMENT INCOME PLAN SOLELY BECAUSE THE  
14 EMPLOYEE WAS CALLED TO ACTIVE DUTY BEFORE COMPLETING 180 DAYS OF  
15 EMPLOYMENT WITH A PARTICIPATING EMPLOYER SHALL BE ELIGIBLE TO  
16 RECEIVE MEMBER CONTRIBUTIONS AND EMPLOYER CONTRIBUTIONS UNDER §§  
17 33-301 AND 33-302 OF THIS SUBTITLE, RESPECTIVELY, IF THE PARTICIPATING  
18 EMPLOYEE ELECTS TO PARTICIPATE IN THE GUARANTEED RETIREMENT  
19 INCOME PLAN ON REEMPLOYMENT.

20 33-304.

21 (A) A PARTICIPATING EMPLOYEE HAS A 100% VESTED INTEREST IN THE  
22 PARTICIPATING EMPLOYEE'S EMPLOYER CONTRIBUTIONS AND THE CREDITED  
23 INTEREST ON THE PARTICIPATING EMPLOYEE'S MEMBER CONTRIBUTIONS  
24 AFTER THE MEMBER ATTAINS 3 YEARS OF CREDITED SERVICE.

25 (B) A PARTICIPATING EMPLOYEE WHO IS NOT 100% VESTED IN  
26 ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION SHALL BECOME 100%  
27 VESTED IN THE PARTICIPATING EMPLOYEE'S EMPLOYER CONTRIBUTIONS AND  
28 THE INTEREST ON THE EMPLOYER CONTRIBUTIONS FROM THE EFFECTIVE DATE  
29 OF A TERMINATION OF THE GUARANTEED RETIREMENT INCOME PLAN OR ON  
30 DEATH OR DISABILITY.

31 (C) A PARTICIPATING EMPLOYEE WHO TERMINATES EMPLOYMENT  
32 WITH A PARTICIPATING EMPLOYER AND IS NOT VESTED IN ANY EMPLOYER  
33 CONTRIBUTIONS OR THE CREDITED INTEREST ON THE EMPLOYER  
34 CONTRIBUTIONS SHALL FORFEIT THE EMPLOYER CONTRIBUTIONS PLUS THE  
35 INTEREST ON THE EMPLOYER CONTRIBUTIONS.

1 **33-401.**

2 (A) FOR NORMAL RETIREMENT A GUARANTEED RETIREMENT INCOME  
3 PLAN PARTICIPATING EMPLOYEE SHALL BE AT LEAST AGE 62 WITH 3 YEARS OF  
4 CREDITED SERVICE.

5 (B) THERE IS NO EARLY RETIREMENT PROVISION UNDER THE  
6 GUARANTEED RETIREMENT INCOME PLAN.

7 (C) A PARTICIPATING EMPLOYEE WHO RETIRES ON OR AFTER THE  
8 PARTICIPATING EMPLOYEE'S NORMAL RETIREMENT DATE MAY RECEIVE THAT  
9 PARTICIPATING EMPLOYEE'S VESTED GUARANTEED RETIREMENT INCOME PLAN  
10 ACCOUNT BALANCE.

11 (D) (1) A PARTICIPATING EMPLOYEE MAY RECEIVE A DISTRIBUTION  
12 WHEN THE PARTICIPATING EMPLOYEE TERMINATES EMPLOYMENT WITH A  
13 PARTICIPATING EMPLOYER.

14 (2) (I) A PARTICIPATING EMPLOYEE MAY ELECT A  
15 DISTRIBUTION FROM THE GUARANTEED RETIREMENT INCOME PLAN OF A  
16 PARTICIPATING EMPLOYEE'S VESTED GUARANTEED RETIREMENT INCOME PLAN  
17 ACCOUNT BALANCE.

18 (II) 1. UNLESS A PARTICIPATING EMPLOYEE ELECTS AN  
19 ANNUITY UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH, A PARTICIPATING  
20 EMPLOYEE SHALL RECEIVE THE PARTICIPATING EMPLOYEE'S VESTED  
21 GUARANTEED RETIREMENT INCOME PLAN ACCOUNT BALANCE IN A SINGLE  
22 LUMP SUM.

23 2. THE PARTICIPATING EMPLOYEE MAY HAVE THE  
24 LUMP SUM PAID UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH AS A  
25 DIRECT ROLLOVER TO AN ELIGIBLE RETIREMENT PLAN AS DEFINED IN THE  
26 INTERNAL REVENUE CODE.

27 (III) 1. A PARTICIPATING EMPLOYEE MAY ELECT TO  
28 RECEIVE THE PARTICIPATING EMPLOYEE'S GUARANTEED RETIREMENT INCOME  
29 PLAN ACCOUNT BALANCE PAID IN:

30 A. A SINGLE LIFE ANNUITY PAYABLE TO THE  
31 PARTICIPATING EMPLOYEE DURING THE LIFE OF THAT PARTICIPATING  
32 EMPLOYEE; OR

1           **B. A JOINT AND SURVIVOR ANNUITY PAYABLE TO**  
2 **THE PARTICIPATING EMPLOYEE OVER THE PARTICIPATING EMPLOYEE'S**  
3 **LIFETIME AND, AT THE PARTICIPATING EMPLOYEE'S DEATH, PAYABLE TO A**  
4 **DESIGNATED BENEFICIARY LIMITED TO A SPOUSE OR CHILD.**

5           **2. PAYMENTS UNDER THIS SUBPARAGRAPH SHALL**  
6 **BE MADE FOR THE DESIGNATED BENEFICIARY'S LIFETIME IN THE AMOUNT**  
7 **PAYABLE TO THE PARTICIPATING EMPLOYEE OR ANOTHER AMOUNT ELECTED**  
8 **BY THE PARTICIPATING EMPLOYEE, BUT NOT LESS THAN 10% OF THE AMOUNT**  
9 **PAYABLE TO THE PARTICIPATING EMPLOYEE.**

10           **(E) (1) THE DISTRIBUTION OF A PARTICIPATING EMPLOYEE'S**  
11 **GUARANTEED RETIREMENT INCOME PLAN ACCOUNT BALANCE SHALL BE MADE**  
12 **NO LATER THAN APRIL 1 OF THE CALENDAR YEAR AFTER THE LATER OF THE**  
13 **CALENDAR YEAR IN WHICH THE PARTICIPATING EMPLOYEE ATTAINS AGE**  
14 **70 1/2 OR THE CALENDAR YEAR IN WHICH THE PARTICIPATING EMPLOYEE**  
15 **TERMINATES EMPLOYMENT.**

16           **(2) IF THE PARTICIPATING EMPLOYEE DOES NOT ELECT A FORM**  
17 **OF DISTRIBUTION UNDER SUBSECTION (D) OF THIS SECTION, THE**  
18 **DISTRIBUTION SHALL BE MADE IN ACCORDANCE WITH SUBSECTION (D)(2)(II)**  
19 **OF THIS SECTION.**

20           **(3) IF THE PARTICIPATING EMPLOYEE DIES BEFORE BEGINNING**  
21 **TO RECEIVE BENEFITS, THE PARTICIPATING EMPLOYEE'S DESIGNATED**  
22 **BENEFICIARY SHALL RECEIVE A DISTRIBUTION IN ACCORDANCE WITH**  
23 **SUBSECTION (D)(2)(II) OF THIS SECTION AS SOON AS PRACTICABLE AFTER THE**  
24 **PARTICIPATING EMPLOYEE'S DEATH, BUT NOT LATER THAN DECEMBER 31 OF**  
25 **THE YEAR CONTAINING THE FIFTH ANNIVERSARY OF THE PARTICIPATING**  
26 **EMPLOYEE'S DEATH.**

27 **33-402.**

28           **(A) IF A PARTICIPATING EMPLOYEE INCURS A DISABILITY BEFORE**  
29 **TERMINATION FROM EMPLOYMENT WITH A PARTICIPATING EMPLOYER THAT**  
30 **MAKES THE PARTICIPATING EMPLOYEE UNABLE TO ENGAGE IN ANY**  
31 **SUBSTANTIAL GAINFUL ACTIVITY BY REASON OF ANY MEDICALLY**  
32 **DETERMINABLE PHYSICAL OR MENTAL IMPAIRMENT THAT CAN BE EXPECTED**  
33 **TO RESULT IN DEATH OR THAT HAS LASTED OR CAN BE EXPECTED TO LAST FOR**  
34 **A CONTINUOUS PERIOD OF NOT LESS THAN 12 MONTHS, THE DISABLED**  
35 **PARTICIPATING EMPLOYEE SHALL REMAIN A PARTICIPATING EMPLOYEE IN THE**  
36 **GUARANTEED RETIREMENT INCOME PLAN AS PROVIDED IN THIS SECTION.**

1           **(B) ALL AMOUNTS CREDITED TO THE PARTICIPATING EMPLOYEE'S**  
2 **GUARANTEED RETIREMENT INCOME PLAN ACCOUNT, INCLUDING EMPLOYER**  
3 **CONTRIBUTIONS, ARE 100% VESTED REGARDLESS OF THE PARTICIPATING**  
4 **EMPLOYEE'S CREDITABLE SERVICE.**

5           **(C) THE PARTICIPATING EMPLOYEE SHALL PARTICIPATE IN THE**  
6 **GUARANTEED RETIREMENT INCOME PLAN UNDER THIS TITLE UNTIL THE**  
7 **PARTICIPATING EMPLOYEE DIES, REACHES NORMAL RETIREMENT DATE, OR**  
8 **RECOVERS FROM THE DISABILITY.**

9           **(D) IN DETERMINING THE CREDIT AMOUNT OF EMPLOYER**  
10 **CONTRIBUTIONS UNDER § 33-302 OF THIS TITLE, THE PARTICIPATING**  
11 **EMPLOYEE'S REGULAR EARNINGS INCLUDES THE REGULAR EARNINGS THE**  
12 **PARTICIPATING EMPLOYEE WOULD HAVE RECEIVED FOR THE YEAR IF THE**  
13 **PARTICIPATING EMPLOYEE WERE PAID FOR THE FULL YEAR AT THE RATE OF**  
14 **COMPENSATION PAID IN THE PAY PERIOD IMMEDIATELY BEFORE THE**  
15 **PARTICIPATING EMPLOYEE BECAME DISABLED.**

16           **(E) THE PARTICIPATING EMPLOYEE MAY NOT RECEIVE A DISTRIBUTION**  
17 **DURING ANY PERIOD IN WHICH THE PARTICIPATING EMPLOYEE RECEIVES AN**  
18 **EMPLOYER CONTRIBUTION CREDIT.**

19           **(F) THE PARTICIPATING EMPLOYEE MAY NOT MAKE MEMBER**  
20 **CONTRIBUTIONS UNDER § 33-301 OF THIS TITLE DURING THE DISABILITY**  
21 **PARTICIPATION.**

22 **33-403.**

23           **(A) (1) IF A PARTICIPATING EMPLOYEE DIES BEFORE RECEIVING THE**  
24 **PARTICIPATING EMPLOYEE'S GUARANTEED RETIREMENT INCOME PLAN**  
25 **ACCOUNT, THE GUARANTEED RETIREMENT INCOME PLAN ACCOUNT BALANCE**  
26 **SHALL BE DISTRIBUTED TO THE PARTICIPATING EMPLOYEE'S DESIGNATED**  
27 **BENEFICIARY IN ACCORDANCE WITH § 33-401(D)(2)(II) OF THIS SUBTITLE AS**  
28 **SOON AS PRACTICABLE AFTER THE PARTICIPATING EMPLOYEE'S DEATH, BUT**  
29 **NOT LATER THAN DECEMBER 31 OF THE YEAR CONTAINING THE FIFTH**  
30 **ANNIVERSARY OF THE PARTICIPATING EMPLOYEE'S DEATH.**

31           **(2) A PARTICIPATING EMPLOYEE MAY NAME A PRIMARY**  
32 **BENEFICIARY OR BENEFICIARIES AND CONTINGENT BENEFICIARY OR**  
33 **BENEFICIARIES ON A DESIGNATION OF BENEFICIARIES FORM FILED WITH THE**  
34 **STATE RETIREMENT AGENCY.**

35           **(3) IF A PARTICIPATING EMPLOYEE NAMES TWO OR MORE**  
36 **PERSONS AS BENEFICIARIES, THE PERSONS ARE CONSIDERED**



1 COBENEFICIARIES AND SHARE THE BENEFIT EQUALLY UNLESS THE  
2 PARTICIPATING EMPLOYEE SPECIFIES OTHERWISE ON THE DESIGNATION OF  
3 BENEFICIARIES FORM.

4 (4) A PARTICIPATING EMPLOYEE MAY CHANGE ANY NAMED  
5 BENEFICIARY BY COMPLETING A NEW DESIGNATION OF BENEFICIARIES FORM.

6 (5) THE CONSENT OF THE BENEFICIARY OR BENEFICIARIES IS  
7 NOT REQUIRED TO NAME OR CHANGE A BENEFICIARY.

8 (6) THE DESIGNATION IS EFFECTIVE WHEN THE PARTICIPATING  
9 EMPLOYEE SIGNS THE FORM EVEN IF THE PARTICIPATING EMPLOYEE IS NOT  
10 LIVING WHEN THE STATE RETIREMENT AGENCY RECEIVES THE REQUEST, BUT  
11 WITHOUT PREJUDICE FOR ANY PAYMENTS MADE BEFORE THE STATE  
12 RETIREMENT AGENCY RECEIVED THE REQUEST.

13 (B) (1) IF A PARTICIPATING EMPLOYEE DIES WITHOUT DESIGNATING  
14 A SURVIVING BENEFICIARY OR THE DESIGNATION IS NOT ENFORCEABLE, THE  
15 SURVIVING SPOUSE, OR, IF THERE IS NO SURVIVING SPOUSE, EACH SURVIVING  
16 CHILD, SHARING EQUALLY WITH ANY OTHER SURVIVING CHILD, IS THE  
17 DESIGNATED BENEFICIARY.

18 (2) IF NO SPOUSE OR CHILD SURVIVES A PARTICIPATING  
19 EMPLOYEE WHO LEFT NO ENFORCEABLE BENEFICIARY DESIGNATION, THE  
20 PARTICIPATING EMPLOYEE'S ESTATE IS THE DESIGNATED BENEFICIARY.

## 21 TITLE 33A. RETIREMENT SAVINGS PLAN.

### 22 SUBTITLE 1. DEFINITIONS; SCOPE OF TITLE.

#### 23 33A-101.

24 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
25 INDICATED.

26 (B) "ACCOUNT BALANCE" MEANS THE BALANCE CREDITED TO THE  
27 RETIREMENT ACCOUNT OF A PARTICIPATING EMPLOYEE UNDER THE  
28 RETIREMENT SAVINGS PLAN AS OF THE VALUATION DATE PRECEDING THE DATE  
29 OF DISTRIBUTION DETERMINED WITHOUT REGARD TO VESTING, INCLUDING:

30 (1) ANY PARTICIPATING EMPLOYEE CONTRIBUTIONS, INCLUDING  
31 CONTRIBUTIONS PICKED UP BY THE STATE UNDER § 21-313 OF THIS ARTICLE;

32 (2) EMPLOYER CONTRIBUTIONS; AND

1           **(3) ROLLOVER CONTRIBUTIONS.**

2           **(C) (1) “ELIGIBLE EMPLOYEE” MEANS AN INDIVIDUAL WHO IS**  
3 **DESCRIBED IN:**

4                   **(I) § 23–201(A) OF THIS ARTICLE OTHER THAN AN**  
5 **EMPLOYEE OF A PARTICIPATING GOVERNMENTAL UNIT; OR**

6                   **(II) § 23–206(A) OF THIS ARTICLE.**

7           **(2) “ELIGIBLE EMPLOYEE” DOES NOT INCLUDE AN INDIVIDUAL**  
8 **WHO ON OR BEFORE MAY 31, 2011, IS A MEMBER OF THE OPTIONAL**  
9 **RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE.**

10           **(D) “EMPLOYEE ORGANIZATION” MEANS ANY ORGANIZATION THAT:**

11                   **(1) ADMITS EMPLOYEES TO MEMBERSHIP;**

12                   **(2) HAS AS A PRIMARY PURPOSE THE REPRESENTATION OF**  
13 **EMPLOYEES IN COLLECTIVE BARGAINING; AND**

14                   **(3) IS CERTIFIED AS AN EMPLOYEE ORGANIZATION UNDER**  
15 **APPLICABLE LAW.**

16           **(E) “INVESTMENT MANAGER” MEANS A PERSON OR ENTITY WHO:**

17                   **(1) EXERCISES DISCRETION TO MANAGE ALL OR PART OF THE**  
18 **ASSETS OF AN INSTITUTIONAL INVESTOR; AND**

19                   **(2) IS A FIDUCIARY AS DEFINED IN § 21–201 OF THIS ARTICLE.**

20           **(F) “NORMAL RETIREMENT DATE” MEANS THE FIRST DAY AFTER THE**  
21 **MONTH IN WHICH THE PARTICIPATING EMPLOYEE REACHES AGE 62.**

22           **(G) “PARTICIPATING EMPLOYEE” MEANS AN ELIGIBLE EMPLOYEE WHO**  
23 **PARTICIPATES IN THE RETIREMENT SAVINGS PLAN.**

24           **(H) “PARTICIPATING EMPLOYEE’S MEMBER CONTRIBUTIONS ACCOUNT”**  
25 **MEANS THE PORTION OF A PARTICIPATING EMPLOYEE’S ACCOUNT BALANCES IN**  
26 **THE RETIREMENT SAVINGS PLAN THAT IS ATTRIBUTABLE TO MEMBER**  
27 **CONTRIBUTIONS, INCLUDING ANY CONTRIBUTIONS PICKED UP BY THE STATE**  
28 **UNDER § 21–313 OF THIS ARTICLE AND ANY GAINS OR LOSSES ATTRIBUTABLE**  
29 **TO THOSE CONTRIBUTIONS.**

1           **(I) “PLAN YEAR” MEANS THE 12-MONTH PERIOD BEGINNING JANUARY**  
2 **1 AND ENDING ON DECEMBER 31 EACH YEAR.**

3           **(J) “REGULAR EARNINGS” MEANS GROSS PAY FOR ACTUAL HOURS**  
4 **WORKED EXCLUSIVE OF OVERTIME, WITHOUT REDUCTION FOR MEMBER**  
5 **CONTRIBUTIONS THAT ARE PICKED UP BY THE STATE UNDER § 21-313 OF THIS**  
6 **ARTICLE OR CONTRIBUTIONS TO ANY STATE DEFERRED COMPENSATION PLAN**  
7 **UNDER TITLE 32 OR TITLE 35 OF THIS ARTICLE.**

8           **(K) “RETIREMENT ACCOUNTS” MEANS THE PARTICIPATING**  
9 **EMPLOYEE’S MEMBER CONTRIBUTIONS ACCOUNT, AN EMPLOYER**  
10 **CONTRIBUTIONS ACCOUNT, AND ANY ROLLOVER CONTRIBUTIONS ACCOUNT.**

11           **(L) “ROLLOVER CONTRIBUTIONS” MEANS THAT PORTION OF A**  
12 **PARTICIPATING EMPLOYEE’S ACCOUNT BALANCE IN THE RETIREMENT SAVINGS**  
13 **PLAN THAT IS ATTRIBUTABLE TO ANY ASSETS TRANSFERRED OR ROLLED OVER**  
14 **TO THE RETIREMENT SAVINGS PLAN FROM ANOTHER QUALIFIED PENSION OR**  
15 **PROFIT SHARING PLAN UNDER THE INTERNAL REVENUE CODE.**

16           **(M) “VALUATION DATE” MEANS THE LAST BUSINESS DAY OF MARCH,**  
17 **JUNE, SEPTEMBER, AND DECEMBER OF EACH PLAN YEAR, AND ANY OTHER**  
18 **DATE THE BOARD OF TRUSTEES ESTABLISHES IN A UNIFORM AND**  
19 **NONDISCRIMINATORY MANNER FOR DETERMINING THE FAIR MARKET VALUE OF**  
20 **THE ASSETS OF THE RETIREMENT SAVINGS PLAN.**

21 **33A-102.**

22           **THIS TITLE DOES NOT APPLY TO ANY PARTICIPATING GOVERNMENTAL**  
23 **UNIT THAT PARTICIPATES IN THE EMPLOYEES’ PENSION SYSTEM UNDER TITLE**  
24 **31 OF THIS ARTICLE.**

25                   **SUBTITLE 2. ESTABLISHMENT; PARTICIPATION.**

26 **33A-201.**

27           **THERE IS A RETIREMENT SAVINGS PLAN.**

28 **33A-202.**

29           **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AN**  
30 **INDIVIDUAL IS A PARTICIPATING EMPLOYEE OF THE RETIREMENT SAVINGS**  
31 **PLAN AS A CONDITION OF EMPLOYMENT IF THE INDIVIDUAL:**

1           (1) COMMENCES EMPLOYMENT AS AN ELIGIBLE EMPLOYEE ON OR  
2 AFTER JUNE 1, 2011; OR

3           (2) (I) WAS A MEMBER OF THE EMPLOYEES' PENSION SYSTEM  
4 OR TEACHERS' PENSION SYSTEM OF THIS ARTICLE ON OR BEFORE MAY 31,  
5 2011, AND BECOMES AN ELIGIBLE EMPLOYEE ON JUNE 1, 2011; AND

6                       (II) ON OR BEFORE JUNE 15, 2011, ELECTS TO PARTICIPATE  
7 IN THE RETIREMENT SAVINGS PLAN.

8           (B) (1) THIS SUBSECTION APPLIES TO AN ELIGIBLE EMPLOYEE WHO:

9                       (I) COMMENCES EMPLOYMENT WITH A PARTICIPATING  
10 EMPLOYER ON OR AFTER JUNE 1, 2011; AND

11                       (II) BEFORE JUNE 1, 2011, WAS NOT A MEMBER OF THE  
12 EMPLOYEES' PENSION SYSTEM OR TEACHERS' PENSION SYSTEM.

13           (2) AN ELIGIBLE EMPLOYEE MAY PARTICIPATE IN THE  
14 RETIREMENT SAVINGS PLAN UNDER THIS TITLE OR THE GUARANTEED  
15 RETIREMENT INCOME PLAN UNDER TITLE 33 OF THIS ARTICLE.

16           (3) AN ELIGIBLE EMPLOYEE SHALL MAKE A ONETIME  
17 IRREVOCABLE ELECTION DURING THE FIRST 150 DAYS OF EMPLOYMENT TO  
18 PARTICIPATE IN EITHER THE RETIREMENT SAVINGS PLAN UNDER THIS TITLE  
19 OR THE GUARANTEED RETIREMENT INCOME PLAN UNDER TITLE 33 OF THIS  
20 ARTICLE.

21           (4) IF AN ELIGIBLE EMPLOYEE ELECTS TO PARTICIPATE IN THE  
22 RETIREMENT SAVINGS PLAN, PARTICIPATION SHALL BEGIN ON THE FIRST PAY  
23 PERIOD AFTER AN ELIGIBLE EMPLOYEE HAS COMPLETED 180 DAYS OF  
24 FULL-TIME EMPLOYMENT WITH A PARTICIPATING EMPLOYER.

25           (C) AN ELIGIBLE EMPLOYEE WHO DOES NOT ELECT TO PARTICIPATE IN  
26 THE RETIREMENT SAVINGS PLAN SHALL PARTICIPATE IN THE GUARANTEED  
27 RETIREMENT INCOME PLAN UNDER TITLE 33 OF THIS ARTICLE BEGINNING ON  
28 THE FIRST PAY PERIOD AFTER THE EMPLOYEE HAS COMPLETED 180 DAYS OF  
29 FULL-TIME EMPLOYMENT.

30                                       SUBTITLE 3. CONTRIBUTIONS.

31           33-301.

1           (A) EACH PARTICIPATING EMPLOYEE SHALL CONTRIBUTE, THROUGH  
2 REGULAR PAYROLL DEDUCTIONS, 4% OF THE PARTICIPATING EMPLOYEE'S  
3 REGULAR EARNINGS LESS THAN OR EQUAL TO THE SOCIAL SECURITY WAGE  
4 BASE AND 8% OF THE PARTICIPATING EMPLOYEE'S REGULAR EARNINGS THAT  
5 EXCEEDS THE SOCIAL SECURITY WAGE BASE.

6           (B) (1) (I) REQUIRED MEMBER CONTRIBUTIONS SHALL BE  
7 ALLOCATED TO THE PARTICIPATING EMPLOYEE'S MEMBER CONTRIBUTIONS  
8 ACCOUNT ESTABLISHED FOR EACH PARTICIPATING EMPLOYEE.

9                           (II) ANY AMOUNTS ALLOCATED TO THE PARTICIPATING  
10 EMPLOYEE'S MEMBER CONTRIBUTIONS ACCOUNT SHALL BE FURTHER  
11 ALLOCATED TO SUBACCOUNTS TO REFLECT THE PROPORTIONATE AMOUNT OF  
12 EACH ACCOUNT INVESTED IN EACH OF THE APPLICABLE INVESTMENT FUNDS BY  
13 THE PARTICIPATING EMPLOYEE.

14                           (III) AS OF EACH VALUATION DATE, THE BOARD OF  
15 TRUSTEES SHALL VALUE THE ASSETS OF EACH PARTICIPATING EMPLOYEE  
16 CONTRIBUTIONS ACCOUNT ON A CURRENT MARKET VALUE BASIS.

17           (2) A PARTICIPATING EMPLOYEE IS FULLY VESTED IN THE  
18 AMOUNT OF THE PARTICIPATING EMPLOYEE'S MEMBER CONTRIBUTIONS  
19 ACCOUNT.

20           (C) WITH THE WRITTEN CONSENT OF THE BOARD OF TRUSTEES, A  
21 PARTICIPATING EMPLOYEE MAY TRANSFER OR ROLLOVER TO THE RETIREMENT  
22 SAVINGS PLAN ANY INTEREST IN ANY OTHER QUALIFIED RETIREMENT PLAN  
23 UNDER THE INTERNAL REVENUE CODE.

24           (D) (1) (I) THE STATE SHALL ALLOCATE THE ROLLOVER  
25 CONTRIBUTIONS MADE ON BEHALF OF EACH PARTICIPATING EMPLOYEE TO A  
26 ROLLOVER CONTRIBUTIONS ACCOUNT THE BOARD OF TRUSTEES ESTABLISHES  
27 FOR THAT PARTICIPATING EMPLOYEE.

28                           (II) ANY AMOUNTS ALLOCATED TO EACH ROLLOVER  
29 CONTRIBUTIONS ACCOUNT SHALL BE FURTHER ALLOCATED TO SUBACCOUNTS  
30 TO REFLECT THE PROPORTIONATE AMOUNT OF EACH ACCOUNT INVESTED IN  
31 EACH OF THE APPLICABLE INVESTMENT FUNDS BY THE PARTICIPATING  
32 EMPLOYEE.

33           (2) A PARTICIPATING EMPLOYEE IS FULLY VESTED IN THE  
34 AMOUNT OF THE ROLLOVER CONTRIBUTIONS ACCOUNT.

35 33A-302.

1           **(A) THE STATE SHALL CONTRIBUTE TO THE RETIREMENT SAVINGS**  
2 **PLAN IN QUARTERLY INSTALLMENTS, ON BEHALF OF EACH PARTICIPATING**  
3 **EMPLOYEE, AN AMOUNT EQUAL TO 8% OF THAT PARTICIPATING EMPLOYEE'S**  
4 **REGULAR EARNINGS DURING A PLAN YEAR.**

5           **(B) (1) (I) THE STATE SHALL ALLOCATE THE EMPLOYER**  
6 **CONTRIBUTIONS MADE ON BEHALF OF EACH PARTICIPATING EMPLOYEE TO AN**  
7 **EMPLOYER CONTRIBUTIONS ACCOUNT THE BOARD OF TRUSTEES ESTABLISHES**  
8 **FOR THE PARTICIPATING EMPLOYEE.**

9                           **(II) ANY AMOUNTS ALLOCATED TO THE EMPLOYER**  
10 **CONTRIBUTIONS ACCOUNT SHALL BE FURTHER ALLOCATED TO SUBACCOUNTS**  
11 **TO REFLECT THE PROPORTIONATE AMOUNT OF EACH ACCOUNT INVESTED IN**  
12 **EACH OF THE APPLICABLE INVESTMENT FUNDS.**

13           **(2) AS OF EACH VALUATION DATE, THE BOARD OF TRUSTEES**  
14 **SHALL VALUE THE EMPLOYER CONTRIBUTIONS ACCOUNT OF EACH**  
15 **PARTICIPATING EMPLOYEE ON A CURRENT MARKET VALUE BASIS BY THE**  
16 **PARTICIPATING EMPLOYEE.**

17           **(3) (I) A PARTICIPATING EMPLOYEE WHO ENDS EMPLOYMENT**  
18 **WITH A PARTICIPATING EMPLOYER AND WHO IS NOT VESTED IN THE EMPLOYER**  
19 **CONTRIBUTIONS ACCOUNT SHALL FORFEIT THE FULL ACCOUNT BALANCE IN**  
20 **THE EMPLOYER CONTRIBUTIONS ACCOUNT.**

21                           **(II) THE BOARD OF TRUSTEES SHALL CONSIDER ALL**  
22 **FORFEITURES ARISING DURING THE PLAN YEAR UNDER THE RETIREMENT**  
23 **SAVINGS PLAN IN DETERMINING THE EMPLOYER CONTRIBUTIONS AND SHALL**  
24 **USE THE FORFEITURES AS PROVIDED IN § 33A-402(D) OF THIS TITLE.**

25 **33A-303.**

26           **(A) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, TO THE**  
27 **EXTENT REQUIRED UNDER THE INTERNAL REVENUE CODE THE ANNUAL**  
28 **ADDITIONS DESCRIBED IN THIS SECTION THAT ARE ALLOCATED IN ANY**  
29 **CALENDAR YEAR TO THE RETIREMENT ACCOUNTS OF ANY PARTICIPATING**  
30 **EMPLOYEE MAY NOT EXCEED THE LESSER OF:**

31                           **(I) \$40,000, AS ADJUSTED BY THE INTERNAL REVENUE**  
32 **SERVICE FROM TIME TO TIME TO REFLECT COST-OF-LIVING INCREASES; OR**

33                           **(II) 100% OF THE PARTICIPATING EMPLOYEE'S REGULAR**  
34 **EARNINGS.**

1           **(2) FOR PURPOSES OF THIS SECTION, THE ANNUAL ADDITION**  
2 **SHALL EQUAL:**

3                   **(I) EMPLOYER CONTRIBUTIONS;**

4                   **(II) REQUIRED MEMBER CONTRIBUTIONS; AND**

5                   **(III) FORFEITURES, BUT ONLY IF THE RETIREMENT SAVINGS**  
6 **PLAN PERMITS FORFEITURES TO BE ADDED TO THE PARTICIPATING**  
7 **EMPLOYEE'S ACCOUNT.**

8           **(3) (I) EMPLOYER CONTRIBUTIONS THAT ARE ALLOCATED TO**  
9 **EMPLOYER CONTRIBUTIONS ACCOUNTS OF PARTICIPATING EMPLOYEES SHALL**  
10 **BE CARRIED OVER TO SUBSEQUENT YEARS AND ALLOCATED IN ORDER OF TIME**  
11 **TO THE EMPLOYER CONTRIBUTIONS ACCOUNTS THAT WOULD HAVE RECEIVED**  
12 **THE CONTRIBUTIONS BUT FOR THE LIMITATIONS IN THIS SECTION.**

13                   **(II) IF A PARTICIPATING EMPLOYEE WHOSE EMPLOYER**  
14 **CONTRIBUTIONS ARE CARRIED OVER IS NOT A PARTICIPATING EMPLOYEE IN**  
15 **SUBSEQUENT YEARS, THAT PORTION OF THE CARRYOVER CONTRIBUTIONS**  
16 **ATTRIBUTABLE TO THE PARTICIPATING EMPLOYEE SHALL BE ALLOCATED TO**  
17 **THE EMPLOYER CONTRIBUTIONS ACCOUNTS OF ALL PARTICIPATING**  
18 **EMPLOYEES.**

19                   **(III) AMOUNTS CARRIED OVER SHALL BE ALLOCATED TO A**  
20 **SUSPENSE ACCOUNT THAT SHALL BE INVESTED IN A FUND DEEMED PRUDENT**  
21 **BY THE BOARD OF TRUSTEES.**

22                   **(IV) ANY EARNINGS OF THE SUSPENSE ACCOUNT SHALL BE**  
23 **ALLOCATED RATABLY AMONG THE EMPLOYER CONTRIBUTIONS ACCOUNTS OF**  
24 **ALL THE PARTICIPATING EMPLOYEES EXCEPT AS OTHERWISE PROVIDED IN**  
25 **THIS SECTION.**

26           **(B) FOR PURPOSES OF THE RETIREMENT SAVINGS PLAN, ONLY THE**  
27 **FIRST \$200,000 OF A PARTICIPATING EMPLOYEE'S REGULAR EARNINGS, OR ANY**  
28 **OTHER AMOUNT PERMITTED UNDER § 401(A)(17) OF THE INTERNAL REVENUE**  
29 **CODE SHALL BE TAKEN INTO ACCOUNT.**

30 **33A-304.**

31           **(A) (1) (I) A PARTICIPATING EMPLOYEE SHALL DIRECT THAT**  
32 **EMPLOYER AND MEMBER CONTRIBUTIONS ALLOCATED TO THE PARTICIPATING**

1 EMPLOYEE'S RETIREMENT ACCOUNTS BE INVESTED IN ONE OR MORE OF THE  
2 INVESTMENT FUNDS SELECTED BY THE BOARD OF TRUSTEES.

3 (II) THE INVESTMENT FUND OPTIONS SELECTED BY THE  
4 BOARD OF TRUSTEES SHALL CONFORM TO ALL APPLICABLE REQUIREMENTS OF  
5 THE INTERNAL REVENUE CODE.

6 (2) A PARTICIPATING EMPLOYEE SHALL ALLOCATE  
7 CONTRIBUTIONS AMONG THE INVESTMENT FUNDS ONLY IN PERCENTAGES OF  
8 THE VALUE OF THE ACCOUNT BALANCES OF THE PARTICIPATING EMPLOYEE, AS  
9 DETERMINED BY THE BOARD OF TRUSTEES.

10 (3) (I) A PARTICIPATING EMPLOYEE'S DIRECTION OF  
11 INVESTMENT SHALL REMAIN IN EFFECT UNTIL THE PARTICIPATING EMPLOYEE  
12 CHANGES THE DIRECTION.

13 (II) IF A PARTICIPATING EMPLOYEE DOES NOT PROVIDE A  
14 VALID DIRECTION OF INVESTMENT, THE ACCOUNT BALANCES OF THE  
15 PARTICIPATING EMPLOYEE, TO THE EXTENT THEY ARE NOT GOVERNED BY A  
16 VALID DIRECTION OF INVESTMENT, SHALL BE INVESTED IN AN APPROPRIATE  
17 INVESTMENT OPTION SELECTED BY THE BOARD OF TRUSTEES.

18 (B) (1) (I) A PARTICIPATING EMPLOYEE OR FORMER  
19 PARTICIPATING EMPLOYEE MAY CHANGE THE ALLOCATION OF THE  
20 PARTICIPATING EMPLOYEE'S ACCOUNT BALANCES AMONG THE INVESTMENT  
21 FUNDS BY GIVING WRITTEN NOTICE OF THE REQUESTED CHANGE AT A TIME SET  
22 BY THE BOARD OF TRUSTEES.

23 (II) THE CHANGES WILL TAKE EFFECT ON THE DATE OR  
24 DATES SET BY THE BOARD OF TRUSTEES.

25 (2) A PARTICIPATING EMPLOYEE OR FORMER PARTICIPATING  
26 EMPLOYEE MAY DESIGNATE THAT THE CHANGE OF THE ALLOCATION AMONG  
27 INVESTMENT FUNDS IS EFFECTIVE AS TO ONE OR BOTH OF:

28 (I) THE PARTICIPATING EMPLOYEE'S OR FORMER  
29 PARTICIPATING EMPLOYEE'S ACCOUNT BALANCES ON THE EFFECTIVE DATE OF  
30 THE CHANGE; OR

31 (II) THE PARTICIPATING EMPLOYEE'S MEMBER  
32 CONTRIBUTIONS AND EMPLOYER CONTRIBUTIONS MADE AFTER THE EFFECTIVE  
33 DATE OF THE CHANGE.



1           **(C) (1) THE BOARD OF TRUSTEES SHALL MAINTAIN PRO RATA**  
2 **ACCOUNTS OF A COMMINGLED FUND OR SEPARATE AND DISTINCT ACCOUNTS**  
3 **FOR EACH PARTICIPATING EMPLOYEE.**

4           **(2) IF THE BOARD OF TRUSTEES ESTABLISHES PRO RATA**  
5 **ACCOUNTS, THE BOARD OF TRUSTEES MAY ALLOCATE REALIZED AND**  
6 **UNREALIZED GAINS AND LOSSES, USING THE RATIO THAT THE PORTION OF THE**  
7 **ACCOUNT BALANCE OF A PARTICIPATING EMPLOYEE ALLOCATED TO AN**  
8 **INVESTMENT FUND BEARS TO THE PORTION OF THE ACCOUNT BALANCES OF**  
9 **ALL PARTICIPATING EMPLOYEES ALLOCATED TO THE INVESTMENT FUND AS OF**  
10 **THE PREVIOUS VALUATION DATE.**

11           **(3) IF THE BOARD OF TRUSTEES ESTABLISHES SEPARATE AND**  
12 **DISTINCT ACCOUNTS, THE BOARD OF TRUSTEES SHALL DETERMINE THE VALUE**  
13 **OF AN INDIVIDUAL ACCOUNT SOLELY WITH RESPECT TO THE ACTIVITY WITHIN**  
14 **EACH PARTICIPATING EMPLOYEE'S ACCOUNT AND UNREALIZED GAINS TO A**  
15 **PARTICIPATING EMPLOYEE'S ACCOUNT.**

16           **(4) THE BOARD OF TRUSTEES MAY DEDUCT OPERATING**  
17 **EXPENSES FROM THE REALIZED AND UNREALIZED GAINS BEFORE ALLOCATION.**

18                   **SUBTITLE 4. CREDITABLE SERVICE; BENEFITS.**

19           **33A-401.**

20           **(A) (1) A PARTICIPATING EMPLOYEE'S CREDITABLE SERVICE IS THE**  
21 **TOTAL SERVICE THE PARTICIPATING EMPLOYEE RENDERED UNDER THE**  
22 **RETIREMENT SAVINGS PLAN.**

23           **(2) A PARTICIPATING EMPLOYEE SHALL RECEIVE 1 YEAR OF**  
24 **CREDITABLE SERVICE FOR EACH YEAR OF SERVICE.**

25           **(3) EACH YEAR OF SERVICE ENDS ON THE ANNIVERSARY OF THE**  
26 **DATE THE PARTICIPATING EMPLOYEE STARTED WORKING FOR THE**  
27 **PARTICIPATING EMPLOYER.**

28           **(B) (1) SERVICE WITH A PARTICIPATING EMPLOYER INCLUDES ANY**  
29 **PERIOD OF COMPULSORY OR VOLUNTARY SERVICE IN THE ARMED FORCES OF**  
30 **THE UNITED STATES, A STATE MILITIA, OR OTHER MILITARY SERVICE COVERED**  
31 **UNDER THE UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT**  
32 **RIGHTS ACT OF 1994, 38 U.S.C. § 4301 ET SEQ., IF THE PARTICIPATING**  
33 **EMPLOYEE:**

1                   **(I) WAS A MEMBER OF THE RETIREMENT SAVINGS PLAN**  
2 **WHEN THE MILITARY SERVICE BEGAN; AND**

3                   **(II) APPLIED FOR REEMPLOYMENT OR RETURNED TO**  
4 **SERVICE WITH THE PARTICIPATING EMPLOYER:**

5                   1.     **WITHIN 1 YEAR AFTER DISCHARGE FROM THE**  
6 **MILITARY SERVICE, AND THE PARTICIPATING EMPLOYEE DOES NOT TAKE**  
7 **OTHER EMPLOYMENT;**

8                   2.     **WITHIN 2 YEARS AFTER COMPLETING MILITARY**  
9 **SERVICE IF THE MEMBER WAS HOSPITALIZED OR CONVALESCING FROM AN**  
10 **ILLNESS OR INJURY INCURRED OR AGGRAVATED DURING MILITARY SERVICE,**  
11 **AND THE PARTICIPATING EMPLOYEE DOES NOT TAKE OTHER EMPLOYMENT; OR**

12                  3.     **MORE THAN 2 YEARS IF CIRCUMSTANCES BEYOND**  
13 **THE CONTROL OF THE PARTICIPATING EMPLOYEE MAKE IT IMPOSSIBLE OR**  
14 **UNREASONABLE FOR THE PARTICIPATING EMPLOYEE TO APPLY FOR**  
15 **REEMPLOYMENT WITHIN 2 YEARS, AND THE PARTICIPATING EMPLOYEE DOES**  
16 **NOT TAKE OTHER EMPLOYMENT.**

17                  **(2) A PARTICIPATING EMPLOYEE'S TOTAL PERIOD OF MILITARY**  
18 **SERVICE MAY NOT EXCEED 5 YEARS, NOT INCLUDING ANY PERIOD OF MILITARY**  
19 **SERVICE DESCRIBED UNDER TITLE 38, CHAPTER 43, §§ 4312(C)(1) THROUGH**  
20 **(4) OF THE UNITED STATES CODE.**

21                  **(C) A PARTICIPATING EMPLOYEE WHO DID NOT BECOME A MEMBER OF**  
22 **THE RETIREMENT SAVINGS PLAN SOLELY BECAUSE THE PARTICIPATING**  
23 **EMPLOYEE WAS CALLED TO ACTIVE DUTY BEFORE COMPLETING 180 DAYS OF**  
24 **EMPLOYMENT WITH A PARTICIPATING EMPLOYER SHALL BE ELIGIBLE TO**  
25 **RECEIVE CONTRIBUTIONS UNDER SUBTITLE 3 OF THIS TITLE IF THE**  
26 **PARTICIPATING EMPLOYEE BECOMES A PARTICIPATING EMPLOYEE IN THE**  
27 **RETIREMENT SAVINGS PLAN UPON REEMPLOYMENT.**

28 **33A-402.**

29                  **(A) (1) (I) A PARTICIPATING EMPLOYEE WHO RETIRES ON OR**  
30 **AFTER THE PARTICIPATING EMPLOYEE'S NORMAL RETIREMENT DATE MAY**  
31 **RECEIVE THE PARTICIPATING EMPLOYEE'S TOTAL ACCOUNT BALANCES IN THE**  
32 **RETIREMENT SAVINGS PLAN.**

33                  **(II) THE BOARD OF TRUSTEES SHALL DISTRIBUTE THE**  
34 **VALUE OF THE PARTICIPATING EMPLOYEE'S ACCOUNT BALANCES TO THE**  
35 **PARTICIPATING EMPLOYEE IN ACCORDANCE WITH THIS SECTION.**

1           (2) IF A PARTICIPATING EMPLOYEE'S NORMAL RETIREMENT  
2 DATE OCCURS BEFORE THE PARTICIPATING EMPLOYEE'S SEPARATION FROM  
3 SERVICE WITH A PARTICIPATING EMPLOYER, ALL AMOUNTS CREDITED TO THE  
4 PARTICIPATING EMPLOYEE'S EMPLOYER CONTRIBUTIONS ACCOUNT ARE 100%  
5 VESTED REGARDLESS OF THE PARTICIPATING EMPLOYEE'S YEARS OF  
6 CREDITABLE SERVICE.

7           (3) IF A PARTICIPATING EMPLOYEE'S EMPLOYMENT CONTINUES  
8 AFTER THE PARTICIPATING EMPLOYEE'S NORMAL RETIREMENT DATE, THE  
9 PARTICIPATING EMPLOYEE SHALL CONTINUE TO PARTICIPATE IN THE  
10 RETIREMENT SAVINGS PLAN AND THE DISTRIBUTION OF THE PARTICIPATING  
11 EMPLOYEE'S BENEFITS SHALL BEGIN IN ACCORDANCE WITH SUBSECTION (I) OF  
12 THIS SECTION.

13           (B) (1) IF A PARTICIPATING EMPLOYEE INCURS A DISABILITY  
14 BEFORE RETIREMENT OR OTHER SEPARATION FROM SERVICE WHICH MAKES  
15 THE PARTICIPATING EMPLOYEE UNABLE TO ENGAGE IN ANY SUBSTANTIAL  
16 GAINFUL ACTIVITY BY REASON OF ANY MEDICALLY DETERMINABLE PHYSICAL  
17 OR MENTAL IMPAIRMENT WHICH CAN BE EXPECTED TO RESULT IN DEATH OR  
18 WHICH HAS LASTED OR CAN BE EXPECTED TO LAST FOR A CONTINUOUS PERIOD  
19 OF NOT LESS THAN 12 MONTHS, THE DISABLED PARTICIPATING EMPLOYEE  
20 SHALL REMAIN A PARTICIPATING EMPLOYEE IN THE RETIREMENT SAVINGS  
21 PLAN AS PROVIDED IN THIS SUBSECTION.

22           (2) ALL AMOUNTS CREDITED TO THE PARTICIPATING  
23 EMPLOYEE'S RETIREMENT SAVINGS ACCOUNT, INCLUDING EMPLOYER  
24 CONTRIBUTIONS, ARE 100% VESTED REGARDLESS OF THE PARTICIPATING  
25 EMPLOYEE'S YEARS OF CREDITABLE SERVICE.

26           (3) THE PARTICIPATING EMPLOYEE SHALL REMAIN A  
27 PARTICIPATING EMPLOYEE IN THE RETIREMENT SAVINGS PLAN UNDER THIS  
28 SECTION UNTIL THE PARTICIPATING EMPLOYEE DIES, REACHES NORMAL  
29 RETIREMENT AGE, OR RECOVERS FROM THE DISABILITY.

30           (4) IN DETERMINING THE AMOUNT OF THE EMPLOYER  
31 CONTRIBUTION UNDER SUBTITLE 3 OF THIS TITLE, THE PARTICIPATING  
32 EMPLOYEE'S REGULAR EARNINGS MEANS THE REGULAR EARNINGS THE  
33 PARTICIPATING EMPLOYEE WOULD HAVE RECEIVED FOR THE YEAR IF THE  
34 PARTICIPATING EMPLOYEE WAS PAID FOR THE FULL YEAR AT THE RATE OF  
35 COMPENSATION PAID IN THE PAY PERIOD IMMEDIATELY BEFORE THE  
36 PARTICIPATING EMPLOYEE BECAME DISABLED.

1           **(5) THE PARTICIPATING EMPLOYEE MAY NOT RECEIVE A**  
2 **DISTRIBUTION DURING ANY PERIOD IN WHICH THE PARTICIPATING EMPLOYEE**  
3 **RECEIVES EMPLOYER CONTRIBUTIONS.**

4           **(6) THE PARTICIPATING EMPLOYEE MAY NOT MAKE ANY MEMBER**  
5 **CONTRIBUTIONS UNDER SUBTITLE 3 OF THIS TITLE DURING THE PERIOD OF**  
6 **DISABILITY PARTICIPATION IN THE RETIREMENT SAVINGS PLAN.**

7           **(c) (1) IF A PARTICIPATING EMPLOYEE DIES BEFORE RECEIVING THE**  
8 **PARTICIPATING EMPLOYEE'S TOTAL ACCOUNT BALANCES IN THE RETIREMENT**  
9 **SAVINGS PLAN, THE BOARD OF TRUSTEES SHALL DISTRIBUTE THE VALUE OF**  
10 **THE PARTICIPATING EMPLOYEE'S ACCOUNT BALANCES TO THE PARTICIPATING**  
11 **EMPLOYEE'S BENEFICIARY UNDER THIS SECTION.**

12           **(2) IF A PARTICIPATING EMPLOYEE DIES BEFORE THE**  
13 **PARTICIPATING EMPLOYEE'S SEPARATION FROM SERVICE, ALL AMOUNTS**  
14 **CREDITED TO THE PARTICIPATING EMPLOYEE'S EMPLOYER CONTRIBUTIONS**  
15 **ACCOUNT ARE 100% VESTED REGARDLESS OF THE PARTICIPATING EMPLOYEE'S**  
16 **YEARS OF CREDITABLE SERVICE.**

17           **(3) (i) A PARTICIPATING EMPLOYEE MAY NAME A PRIMARY**  
18 **BENEFICIARY OR BENEFICIARIES AND CONTINGENT BENEFICIARY OR**  
19 **BENEFICIARIES ON A DESIGNATION OF BENEFICIARIES FORM FILED WITH THE**  
20 **BOARD OF TRUSTEES.**

21                   **(ii) IF A PARTICIPATING EMPLOYEE NAMES TWO OR MORE**  
22 **PERSONS AS BENEFICIARIES, THE PERSONS ARE CONSIDERED**  
23 **COBENEFICIARIES AND SHARE THE BENEFIT EQUALLY UNLESS THE**  
24 **PARTICIPATING EMPLOYEE SPECIFIES OTHERWISE ON THE DESIGNATION OF**  
25 **BENEFICIARIES FORM.**

26                   **(iii) A PARTICIPATING EMPLOYEE MAY CHANGE ANY NAMED**  
27 **BENEFICIARY BY COMPLETING A NEW DESIGNATION OF BENEFICIARIES FORM.**

28                   **(iv) THE CONSENT OF THE BENEFICIARY OR BENEFICIARIES**  
29 **IS NOT REQUIRED TO NAME OR CHANGE A BENEFICIARY.**

30                   **(v) THE DESIGNATION IS EFFECTIVE WHEN THE**  
31 **PARTICIPATING EMPLOYEE SIGNS THE FORM EVEN IF THE PARTICIPATING**  
32 **EMPLOYEE IS NOT ALIVE WHEN THE BOARD OF TRUSTEES RECEIVES THE**  
33 **REQUEST, BUT WITHOUT PREJUDICE FOR ANY PAYMENTS MADE BEFORE THE**  
34 **BOARD OF TRUSTEES RECEIVED THE REQUEST.**

1           **(4) (I) IF A PARTICIPATING EMPLOYEE DIES WITHOUT**  
2 **DESIGNATING A SURVIVING BENEFICIARY OR THE DESIGNATION IS NOT**  
3 **ENFORCEABLE UNDER PARAGRAPH (5) OF THIS SUBSECTION, THE SURVIVING**  
4 **SPOUSE, OR, IF THERE IS NO SURVIVING SPOUSE, EACH SURVIVING CHILD,**  
5 **SHARING EQUALLY WITH ANY OTHER SURVIVING CHILD, IS THE DESIGNATED**  
6 **BENEFICIARY.**

7           **(II) IF NO SPOUSE OR CHILD SURVIVES AND A**  
8 **PARTICIPATING EMPLOYEE LEAVES NO ENFORCEABLE BENEFICIARY**  
9 **DESIGNATION, THE PARTICIPATING EMPLOYEE'S ESTATE IS THE DESIGNATED**  
10 **BENEFICIARY.**

11           **(5) A BENEFICIARY DESIGNATION IS NOT ENFORCEABLE IF:**

12                   **(I) THE DESIGNATED BENEFICIARY:**

- 13                           1.    **PREDECEASES THE MEMBER;**
- 14                           2.    **DISCLAIMS THE BENEFIT; OR**
- 15                           3.    **IS NOT AN IDENTIFIABLE PERSON; OR**

16                   **(II) THE DESIGNATION IS LEGALLY VOID FOR ANY REASON.**

17           **(D) (1) IF A PARTICIPATING EMPLOYEE SEPARATES FROM SERVICE**  
18 **WITH A PARTICIPATING EMPLOYER FOR ANY REASON OTHER THAN NORMAL**  
19 **RETIREMENT, DISABILITY RETIREMENT, OR DEATH, THE BOARD OF TRUSTEES**  
20 **SHALL DISTRIBUTE TO THE PARTICIPATING EMPLOYEE THE VESTED PORTION**  
21 **OF THE PARTICIPATING EMPLOYEE'S ACCOUNT BALANCES IN ACCORDANCE**  
22 **WITH THIS SECTION.**

23           **(2) (I) A PARTICIPATING EMPLOYEE IS 100% VESTED IN ALL**  
24 **PARTICIPATING EMPLOYEE CONTRIBUTIONS ACCOUNTS AND ROLLOVER**  
25 **CONTRIBUTIONS ACCOUNTS AT ALL TIMES.**

26                   **(II) THE VESTED INTEREST IN A PARTICIPATING**  
27 **EMPLOYEE'S EMPLOYER CONTRIBUTIONS ACCOUNT SHALL BE A PERCENTAGE**  
28 **OF THE ACCOUNT, DETERMINED ON THE BASIS OF THE PARTICIPATING**  
29 **EMPLOYEE'S YEARS OF CREDITABLE SERVICE AS FOLLOWS:**

30                           1.    **0% VESTED IF THE PARTICIPATING EMPLOYEE**  
31 **HAS ACCRUED LESS THAN 3 YEARS; AND**

1                   **2. 100% VESTED IF THE PARTICIPATING EMPLOYEE**  
2 **HAS ACCRUED AT LEAST 3 YEARS.**

3                   **(3) (I) IF A PARTICIPATING EMPLOYEE HAS NO VESTED**  
4 **INTEREST IN THE EMPLOYER CONTRIBUTIONS ACCOUNT AT THE TIME OF THE**  
5 **PARTICIPATING EMPLOYEE'S SEPARATION FROM SERVICE, THE PARTICIPATING**  
6 **EMPLOYEE SHALL FORFEIT THE ENTIRE EMPLOYER CONTRIBUTIONS ACCOUNT**  
7 **AS OF THE DATE OF SEPARATION FROM SERVICE.**

8                   **(II) 1. THE BOARD OF TRUSTEES SHALL ALLOW A**  
9 **ONETIME REINSTATEMENT OF THE FORFEITED EMPLOYER CONTRIBUTIONS TO**  
10 **AN EMPLOYEE WHO IS REEMPLOYED BY THE PARTICIPATING EMPLOYER WITHIN**  
11 **12 MONTHS OF SEPARATION AND AGAIN BECOMES A MEMBER OF THE**  
12 **RETIREMENT SAVINGS PLAN.**

13                   **2. THE AMOUNT REINSTATED BY THE BOARD OF**  
14 **TRUSTEES SHALL BE EQUAL TO THE VALUE OF THE EMPLOYER CONTRIBUTIONS**  
15 **ACCOUNT, INCLUDING INVESTMENT GAINS AND LOSSES, AS OF THE DATE OF**  
16 **THE PARTICIPATING EMPLOYEE'S SEPARATION FROM SERVICE.**

17                   **(III) THE BOARD OF TRUSTEES SHALL USE THE**  
18 **FORFEITURES TO PAY THE OPERATING EXPENSES OF THE RETIREMENT**  
19 **SAVINGS PLAN OR TO REDUCE THE AMOUNT OF COUNTY CONTRIBUTIONS.**

20                   **(E) (1) IF A PARTICIPATING EMPLOYEE IS EMPLOYED BY A**  
21 **PARTICIPATING EMPLOYER, NO DISTRIBUTION IS PERMITTED.**

22                   **(2) DISTRIBUTIONS SHALL BE MADE ONLY UPON A**  
23 **PARTICIPATING EMPLOYEE'S DEATH, RETIREMENT, DISABILITY RETIREMENT,**  
24 **OR SEPARATION FROM SERVICE.**

25                   **(F) (1) THE BOARD OF TRUSTEES SHALL PAY, AT THE REQUEST OF**  
26 **THE PARTICIPATING EMPLOYEE OR THE DESIGNATED BENEFICIARY, THE**  
27 **PARTICIPATING EMPLOYEE'S ACCOUNT BALANCES IN THE RETIREMENT**  
28 **SAVINGS PLAN UPON RETIREMENT, DISABILITY RETIREMENT, DEATH, OR**  
29 **SEPARATION FROM SERVICE.**

30                   **(2) UNLESS THE PARTICIPATING EMPLOYEE ELECTS AN**  
31 **OPTIONAL METHOD OF DISTRIBUTION UNDER PARAGRAPH (3) OF THIS**  
32 **SUBSECTION, THE NORMAL METHOD OF DISTRIBUTION SHALL BE A LUMP SUM**  
33 **DISTRIBUTION.**

34                   **(3) (I) A PARTICIPATING EMPLOYEE MAY ELECT, SUBJECT TO**  
35 **THE CONDITIONS OF THIS PARAGRAPH, TO USE THE ENTIRE ACCOUNT**

1 BALANCES TO BUY AN ANNUITY PAYABLE IN ONE OF THE FOLLOWING  
2 ACTUARIALLY EQUIVALENT METHODS:

3 1. A JOINT AND SURVIVOR ANNUITY PAYABLE FOR  
4 THE LIFE OF THE PARTICIPATING EMPLOYEE, WITH A SURVIVOR'S ANNUITY  
5 PAYABLE FOR THE LIFE OF THE PARTICIPATING EMPLOYEE'S SPOUSE IN AN  
6 AMOUNT AT LEAST EQUAL TO ONE-HALF OF THE AMOUNT OF THE ANNUITY  
7 PAYABLE DURING THE JOINT LIVES OF THE PARTICIPATING EMPLOYEE AND  
8 THE PARTICIPATING EMPLOYEE'S SPOUSE;

9 2. A SINGLE LIFE ANNUITY PAYABLE FOR THE  
10 LIFETIME OF THE PARTICIPATING EMPLOYEE; OR

11 3. A PERIOD CERTAIN ANNUITY IN WHICH A CERTAIN  
12 NUMBER OF PAYMENTS ARE GUARANTEED REGARDLESS OF WHEN THE  
13 PARTICIPATING EMPLOYEE DIES.

14 (II) 1. IF BENEFITS UNDER THE RETIREMENT SAVINGS  
15 PLAN ARE PAYABLE AS AN ANNUITY, THE BOARD OF TRUSTEES SHALL USE THE  
16 ACCOUNT BALANCES OF THE PARTICIPATING EMPLOYEE TO BUY AN ANNUITY  
17 CONTRACT FROM AN INSURANCE COMPANY AUTHORIZED TO DO BUSINESS IN  
18 THE STATE.

19 2. THE CONTRACT UNDER SUBSUBPARAGRAPH (1)  
20 OF THIS SUBPARAGRAPH SHALL PROVIDE FOR PAYMENT IN THE METHOD  
21 CHOSEN BY THE PARTICIPATING EMPLOYEE.

22 (III) A PARTICIPATING EMPLOYEE MAY ELECT TO HAVE THE  
23 ENTIRE ACCOUNT BALANCES PAID IN INSTALLMENTS ON A MONTHLY OR  
24 ANNUAL BASIS OVER A PERIOD SELECTED BY THE PARTICIPATING EMPLOYEE,  
25 SUBJECT TO APPLICABLE RESTRICTIONS IN THE INTERNAL REVENUE CODE  
26 AND ITS CORRESPONDING REGULATIONS.

27 (G) (1) NOTWITHSTANDING ANY PROVISION OF LAW THAT WOULD  
28 OTHERWISE LIMIT A PARTICIPATING EMPLOYEE'S ELECTION UNDER THIS  
29 SECTION, A PARTICIPATING EMPLOYEE OR DESIGNATED BENEFICIARY MAY  
30 ELECT IN ANY MANNER PRESCRIBED BY THE BOARD OF TRUSTEES AT ANY TIME  
31 TO HAVE ANY PORTION OF AN ELIGIBLE ROLLOVER DISTRIBUTION AS DEFINED  
32 IN THE INTERNAL REVENUE CODE, PAID DIRECTLY TO AN ELIGIBLE  
33 RETIREMENT PLAN, AS DEFINED IN THE INTERNAL REVENUE CODE, SPECIFIED  
34 BY THE PARTICIPATING EMPLOYEE IN A DIRECT ROLLOVER.

1           **(2) FOR PURPOSES OF THIS SUBSECTION, A DIRECT ROLLOVER IS**  
2 **A PAYMENT FROM THE RETIREMENT SAVINGS PLAN TO THE ELIGIBLE**  
3 **RETIREMENT PLAN SPECIFIED BY THE PARTICIPATING EMPLOYEE.**

4           **(H) (1) (I) THE BOARD OF TRUSTEES SHALL PAY A PARTICIPATING**  
5 **EMPLOYEE WHO RETIRES BY REASON OF NORMAL, DEFERRED, OR DISABILITY**  
6 **RETIREMENT, THE PARTICIPATING EMPLOYEE'S ACCOUNT BALANCES IN THE**  
7 **RETIREMENT SAVINGS PLAN.**

8                           **(II) THE DISTRIBUTION SHALL BEGIN AS SOON AS**  
9 **ADMINISTRATIVELY FEASIBLE AFTER THE PARTICIPATING EMPLOYEE'S**  
10 **RETIREMENT AND AFTER THE DATE ELECTED BY THE PARTICIPATING**  
11 **EMPLOYEE, BUT NO LATER THAN APRIL 1 FOLLOWING THE LATER OF THE**  
12 **CALENDAR YEAR IN WHICH THE PARTICIPATING EMPLOYEE ATTAINS AGE 70 1/2,**  
13 **OR THE CALENDAR YEAR IN WHICH THE PARTICIPATING EMPLOYEE'S**  
14 **EMPLOYMENT ENDS.**

15           **(2) (I) A PARTICIPATING EMPLOYEE WHO HAS A 100% VESTED**  
16 **INTEREST IN THE EMPLOYER CONTRIBUTIONS ACCOUNT, AND WHOSE**  
17 **EMPLOYMENT WITH A PARTICIPATING EMPLOYER ENDS BEFORE THE**  
18 **PARTICIPATING EMPLOYEE'S DEATH, DISABILITY RETIREMENT, OR NORMAL**  
19 **RETIREMENT DATE, MAY RECEIVE THE ACCOUNT BALANCES IN THE EMPLOYER**  
20 **CONTRIBUTION ACCOUNTS AND THE PARTICIPATING EMPLOYEE CONTRIBUTION**  
21 **ACCOUNTS BEFORE REACHING THE NORMAL RETIREMENT DATE ONLY UPON**  
22 **FILING WRITTEN CONSENT FOR THE DISTRIBUTION WITH THE BOARD OF**  
23 **TRUSTEES.**

24                           **(II) THE DISTRIBUTION SHALL BE MADE AS SOON AS**  
25 **ADMINISTRATIVELY FEASIBLE AFTER THE BOARD OF TRUSTEES RECEIVES THE**  
26 **WRITTEN CONSENT FOR THE DISTRIBUTION.**

27           **(3) (I) IF A PARTICIPATING EMPLOYEE'S EMPLOYMENT WITH A**  
28 **PARTICIPATING EMPLOYER ENDS BEFORE THE PARTICIPATING EMPLOYEE HAS**  
29 **A VESTED INTEREST IN THE EMPLOYER CONTRIBUTIONS AND THE**  
30 **PARTICIPATING EMPLOYEE PROPERLY COMPLETES AND SUBMITS AN**  
31 **APPLICATION FOR DISTRIBUTION OF THE PARTICIPATING EMPLOYEE'S MEMBER**  
32 **CONTRIBUTION ACCOUNT, THE BOARD OF TRUSTEES SHALL DISTRIBUTE THE**  
33 **PARTICIPATING EMPLOYEE'S MEMBER CONTRIBUTION ACCOUNT AS SOON AS**  
34 **ADMINISTRATIVELY FEASIBLE.**

35                           **(II) IF A PARTICIPATING EMPLOYEE DOES NOT PROPERLY**  
36 **COMPLETE AND SUBMIT AN APPLICATION FOR A DISTRIBUTION, THE BOARD OF**  
37 **TRUSTEES SHALL DISTRIBUTE THE PARTICIPATING EMPLOYEE'S MEMBER**



1 CONTRIBUTION ACCOUNT UNDER THE TIME LIMITS DESCRIBED IN THIS  
2 SECTION.

3 (I) (1) THE DISTRIBUTION OF A PARTICIPATING EMPLOYEE'S OR  
4 FORMER PARTICIPATING EMPLOYEE'S RETIREMENT BENEFITS SHALL BEGIN NO  
5 LATER THAN APRIL 1 FOLLOWING THE LATER OF:

6 (I) THE CALENDAR YEAR IN WHICH THE PARTICIPATING  
7 EMPLOYEE ATTAINS AGE 70 1/2; OR

8 (II) THE CALENDAR YEAR IN WHICH THE PARTICIPATING  
9 EMPLOYEE SEPARATES FROM SERVICE.

10 (2) THE DISTRIBUTION MAY BE MADE AS PROVIDED IN  
11 SUBSECTION (F) OF THIS SECTION.

12 (J) IF DISTRIBUTION TO A RETIRED PARTICIPATING EMPLOYEE HAS  
13 BEGUN UNDER SUBSECTION (I) OF THIS SECTION AND THE PARTICIPATING  
14 EMPLOYEE DIES BEFORE THE PARTICIPATING EMPLOYEE'S ENTIRE BENEFIT  
15 HAS BEEN DISTRIBUTED TO THE PARTICIPATING EMPLOYEE, THE REMAINING  
16 BENEFIT, IF ANY, SHALL BE DISTRIBUTED AT LEAST AS RAPIDLY AS UNDER THE  
17 METHOD OF DISTRIBUTION IN EFFECT ON THE DATE OF THE RETIRED  
18 PARTICIPATING EMPLOYEE'S DEATH.

19 (K) (1) IF A PARTICIPATING EMPLOYEE DIES BEFORE PAYMENT OF  
20 BENEFITS UNDER THIS SECTION HAS BEGUN, THE BENEFITS SHALL BE  
21 DISTRIBUTED BEFORE THE END OF THE CALENDAR YEAR CONTAINING THE  
22 FIFTH ANNIVERSARY OF THE PARTICIPATING EMPLOYEE'S DEATH UNLESS:

23 (I) 1. ANY PORTION OF THE PARTICIPATING  
24 EMPLOYEE'S BENEFIT IS PAYABLE TO, OR FOR THE BENEFIT OF, A DESIGNATED  
25 BENEFICIARY;

26 2. THE PORTION OF THE BENEFIT TO WHICH THE  
27 DESIGNATED BENEFICIARY IS ENTITLED WILL BE DISTRIBUTED OVER THE LIFE  
28 OF THE BENEFICIARY OR OVER A PERIOD NOT EXTENDING BEYOND THE LIFE  
29 EXPECTANCY OF THE BENEFICIARY; AND

30 3. THE DISTRIBUTIONS BEGIN BEFORE THE END OF  
31 THE CALENDAR YEAR FOLLOWING THE CALENDAR YEAR IN WHICH THE  
32 PARTICIPATING EMPLOYEE'S DEATH OCCURRED; OR

33 (II) 1. THE PORTION OF THE PARTICIPATING  
34 EMPLOYEE'S BENEFIT TO WHICH THE SURVIVING SPOUSE IS ENTITLED WILL BE

1 DISTRIBUTED OVER THE LIFE OF THE SURVIVING SPOUSE, OR OVER A PERIOD  
2 NOT EXTENDING BEYOND THE LIFE EXPECTANCY OF THE SURVIVING SPOUSE;  
3 AND

4                   2. THE DISTRIBUTIONS BEGIN BEFORE THE LATER  
5 OF THE END OF THE CALENDAR YEAR FOLLOWING THE CALENDAR YEAR IN  
6 WHICH THE PARTICIPATING EMPLOYEE DIED OR THE END OF THE CALENDAR  
7 YEAR IN WHICH THE PARTICIPATING EMPLOYEE WOULD HAVE REACHED AGE  
8 70 1/2.

9                   (2) FOR PURPOSES OF THIS SECTION:

10                   (I) THE LIFE EXPECTANCY OF A PARTICIPATING EMPLOYEE  
11 AND THE PARTICIPATING EMPLOYEE'S SPOUSE MAY BE RECALCULATED EACH  
12 YEAR; AND

13                   (II) ANY AMOUNT PAID TO A CHILD IS TREATED AS IF IT HAD  
14 BEEN PAID TO THE PARTICIPATING EMPLOYEE'S SURVIVING SPOUSE IF THE  
15 AMOUNT IS PAYABLE TO THE SURVIVING SPOUSE BEFORE THE CHILD REACHES  
16 THE AGE OF MAJORITY OR OTHER DESIGNATED EVENT PERMITTED UNDER  
17 FEDERAL REGULATION.

18                   (L) DISTRIBUTIONS UNDER A PLAN SHALL BE SUBJECT TO THE  
19 LIMITATIONS OF § 401(A)(9) OF THE INTERNAL REVENUE CODE, INCLUDING  
20 THE INCIDENTAL DEATH BENEFIT RULES IN § 401(A)(9)(G) OF THE INTERNAL  
21 REVENUE CODE, IN ACCORDANCE WITH ANY PROPOSED OR FINAL  
22 REGULATIONS UNDER § 401(A)(9) OF THE INTERNAL REVENUE CODE.

23                   SUBTITLE 5. ADMINISTRATION.

24                   33A-501.

25                   (A) (1) THE BOARD OF TRUSTEES SHALL:

26                   (I) ADMINISTER THE RETIREMENT SAVINGS PLAN;

27                   (II) DECIDE THE ELIGIBILITY OF ANY PARTICIPATING  
28 EMPLOYEE AND THE RIGHTS OF ANY PARTICIPATING EMPLOYEE OR  
29 BENEFICIARY TO RECEIVE BENEFITS;

30                   (III) COMPUTE THE AMOUNT OF BENEFITS PAYABLE TO ANY  
31 PARTICIPATING EMPLOYEE OR BENEFICIARY; AND

32                   (IV) AUTHORIZE DISBURSEMENTS OF BENEFITS.

1           **(2) A DETERMINATION BY THE BOARD OF TRUSTEES ON ANY**  
2 **MATTER WITHIN ITS AUTHORITY UNDER THIS PLAN IS FINAL AND BINDING ON**  
3 **ALL INTERESTED PARTIES.**

4           **(B) THE BOARD OF TRUSTEES SHALL ADOPT REGULATIONS TO CARRY**  
5 **OUT THE PROVISIONS OF THIS TITLE.**

6           **(C) (1) THE STATE SHALL MAKE CONTRIBUTIONS TO THE**  
7 **RETIREMENT SAVINGS PLAN, SUBJECT TO APPROPRIATION.**

8           **(2) THE STATE MAY MAKE ADDITIONAL CONTRIBUTIONS TO THE**  
9 **TRUST TO COVER OPERATING EXPENSES OF THE RETIREMENT SAVINGS PLAN.**

10           **(3) THE BOARD OF TRUSTEES SHALL PAY OPERATING EXPENSES**  
11 **OF THE RETIREMENT SAVINGS PLAN FROM RETIREMENT SAVINGS PLAN ASSETS**  
12 **OR FROM STATE ASSETS.**

13           **(4) A PARTICIPATING EMPLOYER SHALL PAY ANY AMOUNTS**  
14 **NECESSARY TO COVER THE PARTICIPATING EMPLOYER'S RESPECTIVE**  
15 **OPERATING EXPENSES OF THE RETIREMENT SAVINGS PLAN.**

16           **(D) THE BOARD OF TRUSTEES SHALL PRESCRIBE THE FORM, SCOPE,**  
17 **MAINTENANCE, AND DISCLOSURE OF RECORDS FOR THE RETIREMENT SAVINGS**  
18 **PLAN IN ACCORDANCE WITH STATE LAW.**

19           **(E) (1) ANY PARTICIPATING EMPLOYEE, FORMER PARTICIPATING**  
20 **EMPLOYEE, OR DESIGNATED BENEFICIARY ELIGIBLE TO RECEIVE BENEFITS**  
21 **FROM THE RETIREMENT SAVINGS PLAN MAY REQUEST, IN WRITING, A DECISION**  
22 **ON QUESTIONS ARISING UNDER THIS TITLE.**

23           **(2) THE BOARD OF TRUSTEES SHALL RESPOND IN WRITING TO**  
24 **THE REQUEST WITHIN 60 DAYS.**

25           **(3) THE RESPONSE SHALL INCLUDE A STATEMENT OF APPEAL**  
26 **RIGHTS.**

27           **(4) A DECISION BY THE BOARD OF TRUSTEES MAY BE APPEALED**  
28 **WITHIN 15 DAYS TO THE OFFICE OF ADMINISTRATIVE HEARINGS.**

29           **(5) THE DECISION OF THE OFFICE OF ADMINISTRATIVE**  
30 **HEARINGS IS FINAL.**

1           **(F) (1) ON OR BEFORE MARCH 1 OF EACH YEAR, THE BOARD OF**  
2 **TRUSTEES SHALL SUBMIT AN ANNUAL REPORT ON THE STATUS OF THE**  
3 **RETIREMENT SAVINGS PLAN FOR THE PRECEDING PLAN YEAR, INCLUDING THE**  
4 **EXTENT AND CONTENT OF COUNSELING MADE AVAILABLE TO PARTICIPATING**  
5 **EMPLOYEES TO THE SENATE BUDGET AND TAXATION COMMITTEE AND THE**  
6 **HOUSE APPROPRIATIONS COMMITTEE IN ACCORDANCE WITH § 2-1246 OF THE**  
7 **STATE GOVERNMENT ARTICLE.**

8           **(2) THE BOARD OF TRUSTEES SHALL MAKE ANY REPORT**  
9 **PREPARED UNDER PARAGRAPH (1) OF THIS SUBSECTION AVAILABLE TO ALL**  
10 **STATE OFFICIALS, EACH PARTICIPATING EMPLOYEE OF THE RETIREMENT**  
11 **SAVINGS PLAN, AND THE PUBLIC.**

12           **(3) THE SENATE BUDGET AND TAXATION COMMITTEE OR THE**  
13 **HOUSE APPROPRIATIONS COMMITTEE MAY ASK THE BOARD OF TRUSTEES TO**  
14 **PROVIDE ADDITIONAL INFORMATION IN THE ANNUAL REPORT OR IN**  
15 **ADDITIONAL REPORTS.**

16           **(4) THE BOARD OF TRUSTEES SHALL PROVIDE THE ADDITIONAL**  
17 **INFORMATION PROMPTLY.**

18           **(G) (1) THE BOARD OF TRUSTEES SHALL SUPPLY TO EACH**  
19 **PARTICIPATING EMPLOYEE FOR EACH PLAN YEAR A REPORT STATING THE**  
20 **AMOUNT OF THE PARTICIPATING EMPLOYEE'S ACCOUNT BALANCES AND THE**  
21 **PARTICIPATING EMPLOYEE'S VESTED INTEREST.**

22           **(2) THE REPORT SHALL BE DISTRIBUTED AS SOON AS**  
23 **ADMINISTRATIVELY FEASIBLE AFTER THE CLOSE OF EACH PLAN YEAR.**

24           **(3) THE BOARD OF TRUSTEES IS NOT REQUIRED TO PROVIDE**  
25 **MORE THAN ONE REPORT DURING ANY PLAN YEAR.**

26 **33A-502.**

27           **(A) A TRUST IS ESTABLISHED AS PART OF THE RETIREMENT SAVINGS**  
28 **PLAN FOR THE BENEFIT OF THE PARTICIPATING EMPLOYEES IN THE**  
29 **RETIREMENT SAVINGS PLAN.**

30           **(B) THE TRUST CONSISTS OF THE MONEY AND PROPERTY OF THE**  
31 **RETIREMENT SAVINGS PLAN AND ANY EARNINGS, PROFITS, INCREMENTS,**  
32 **APPRECIATION, AND OTHER ADDITIONS THAT ACCRUE.**

33           **(C) ALL OF THE MONEY AND PROPERTY, ALL INVESTMENTS MADE WITH**  
34 **THAT MONEY AND PROPERTY, AND ALL EARNINGS, PROFITS, INCREMENTS AND**

1 OTHER ADDITIONS, LESS THE PAYMENTS PREVIOUSLY MADE BY THE BOARD OF  
2 TRUSTEES, ARE THE RETIREMENT SAVINGS PLAN TRUST FUND.

3 **33A-503.**

4 (A) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, THE  
5 POWERS AND DUTIES WITH RESPECT TO INVESTMENTS OF THE RETIREMENT  
6 SAVINGS PLAN ARE VESTED IN THE BOARD OF TRUSTEES.

7 (2) THE BOARD OF TRUSTEES HAS LEGAL TITLE TO ALL CASH  
8 AND OTHER PROPERTY OF THE RETIREMENT SAVINGS PLAN, BUT MAY  
9 DELEGATE SOME OR ALL OF THE INCIDENTS OF OWNERSHIP AS PROVIDED IN  
10 THIS TITLE.

11 (B) (1) IN ACCORDANCE WITH THE INVESTMENT POLICY MANUAL  
12 ADOPTED UNDER § 21-116 OF THIS ARTICLE, THE BOARD OF TRUSTEES SHALL  
13 INVEST AND REINVEST, OR CAUSE TO BE INVESTED OR REINVESTED, THE  
14 PRINCIPAL AND INCOME OF THE RETIREMENT SAVINGS PLAN AND KEEP THE  
15 SAME INVESTED WITHOUT DISTINCTION BETWEEN PRINCIPAL AND INCOME.

16 (2) THE BOARD OF TRUSTEES HAS THE EXCLUSIVE AUTHORITY  
17 TO MANAGE THE ASSETS OF THE RETIREMENT SAVINGS PLAN, BUT SHALL, TO  
18 THE EXTENT DIRECTED BY PARTICIPATING EMPLOYEES, INVEST EACH  
19 PARTICIPATING EMPLOYEE'S ACCOUNTS IN THE MANNER DIRECTED BY THE  
20 PARTICIPATING EMPLOYEE.

21 (3) THE BOARD OF TRUSTEES MAY MAKE OR PERMIT AN  
22 INVESTMENT MANAGER TO MAKE INDIVIDUAL INVESTMENT SELECTIONS WITH  
23 RESPECT TO ANY INVESTMENTS DESCRIBED IN THIS SECTION.

24 (4) THE BOARD OF TRUSTEES MAY SELECT MUTUAL FUNDS,  
25 COMMINGLED FUNDS, OR ANY COMBINATION OF FUNDS TO PROVIDE  
26 INVESTMENT OPTIONS FOR THE RETIREMENT SAVINGS PLAN.

27 (C) THE BOARD OF TRUSTEES SHALL:

28 (1) DEVELOP RECORD KEEPING FUNCTIONS FOR THE PURPOSE  
29 OF MAINTAINING AND REPORTING ON PARTICIPATING EMPLOYEE ACCOUNT  
30 BALANCES;

31 (2) DESIGNATE APPROPRIATE INVESTMENT OPTIONS TO BE  
32 OFFERED TO PLAN PARTICIPATING EMPLOYEES;

1           **(3) DESIGNATE METHODS OF ACCOUNTING FOR INVESTMENTS;**  
2 **AND**

3           **(4) DESIGNATE METHODS OF SELECTING ANNUITY CONTRACTS**  
4 **FOR DISTRIBUTION OF PARTICIPATING EMPLOYEE ACCOUNT BALANCES.**

5           **(D) THE BOARD OF TRUSTEES SHALL MAKE COUNSELING AVAILABLE**  
6 **TO EACH PARTICIPATING EMPLOYEE DURING EACH PLAN YEAR TO ADVISE THE**  
7 **PARTICIPATING EMPLOYEE REGARDING INVESTMENT SELECTIONS FOR**  
8 **MEMBER AND EMPLOYER CONTRIBUTIONS.**

9           **(E) THE BOARD OF TRUSTEES OR ANY INVESTMENT MANAGER MAY NOT**  
10 **INVEST ANY RETIREMENT SAVINGS PLAN ASSET IN ANY BOND, NOTE, OR DEBT**  
11 **INSTRUMENT ISSUED BY:**

12           **(1) THE STATE;**

13           **(2) ANY POLITICAL SUBDIVISION OF THE STATE;**

14           **(3) ANY AGENCY SUPPORTED OR FINANCED WHOLLY OR PARTLY**  
15 **BY TAXES LEVIED BY THE STATE; OR**

16           **(4) ANY AGENCY SUPPORTED BY BOND ISSUES UNDERWRITTEN BY**  
17 **THE STATE.**

18           **(F) THE BOARD OF TRUSTEES SHALL DO ALL ACTS WHICH THE BOARD**  
19 **OF TRUSTEES CONSIDERS NECESSARY AND EXERCISE ANY AND ALL POWERS OF**  
20 **THIS TITLE WITH RESPECT TO THE MANAGEMENT OF THE RETIREMENT SAVINGS**  
21 **PLAN, AND IN GENERAL, EXERCISE ALL POWERS IN THE MANAGEMENT OF THE**  
22 **ASSETS WHICH AN INDIVIDUAL COULD EXERCISE IN THE MANAGEMENT OF**  
23 **PROPERTY OWNED IN THE INDIVIDUAL'S OWN RIGHT EXCEPT FOR MAKING AN**  
24 **INDIVIDUAL INVESTMENT SELECTION.**

25           **(G) THE BOARD OF TRUSTEES MAY NOT ENGAGE IN ANY TRANSACTION**  
26 **BETWEEN THE TRUST AND THE PARTICIPATING EMPLOYER, OR ANY ENTITY**  
27 **CONTROLLED BY THE STATE, IN WHICH THE BOARD OF TRUSTEES:**

28           **(1) LENDS ANY PART OF ITS INCOME OR CORPUS, WITHOUT**  
29 **RECEIVING ADEQUATE SECURITY AND A REASONABLE RATE OF INTEREST;**

30           **(2) PAYS ANY COMPENSATION, MORE THAN A REASONABLE**  
31 **ALLOWANCE FOR SALARIES OR OTHER COMPENSATION OR PERSONAL SERVICES**  
32 **ACTUALLY RENDERED;**

1           **(3) MAKES ANY SERVICE AVAILABLE ON A PREFERENTIAL BASIS;**

2           **(4) MAKES ANY SUBSTANTIAL PURCHASE OF SECURITIES OR**  
3 **OTHER PROPERTY FOR MORE THAN ADEQUATE CONSIDERATION;**

4           **(5) SELLS ANY SUBSTANTIAL PART OF ITS SECURITIES OR OTHER**  
5 **PROPERTY FOR LESS THAN ADEQUATE CONSIDERATION; OR**

6           **(6) ENGAGES IN ANY TRANSACTION WHICH RESULTS IN A**  
7 **SUBSTANTIAL DIVERSION OF ITS INCOME OR CORPUS.**

8           **(H) (1) (i) THE BOARD OF TRUSTEES MAY APPOINT INVESTMENT**  
9 **MANAGERS TO MANAGE, ACQUIRE, OR DISPOSE OF ALL OR SOME OF THE ASSETS**  
10 **OF THE RETIREMENT SAVINGS PLAN.**

11                   **(ii) THE BOARD OF TRUSTEES MAY DISMISS ANY**  
12 **INVESTMENT MANAGER THE BOARD OF TRUSTEES APPOINTS.**

13                   **(iii) THE FEES CHARGED BY ANY INVESTMENT MANAGER**  
14 **ARE EXPENSES OF THE RETIREMENT SAVINGS PLAN.**

15           **(2) (i) IN ANY CONTRACT WITH AN INVESTMENT MANAGER,**  
16 **THE BOARD OF TRUSTEES SHALL IDENTIFY THE ASSETS THAT ARE SUBJECT TO**  
17 **THE CONTRACT.**

18                   **(ii) THE BOARD OF TRUSTEES MAY GIVE AN INVESTMENT**  
19 **MANAGER THE RIGHT TO INVEST THE ASSETS OF THE RETIREMENT SAVINGS**  
20 **PLAN SPECIFIED IN THE CONTRACT WITHOUT PRIOR NOTICE TO OR APPROVAL**  
21 **BY THE BOARD OF TRUSTEES.**

22                   **(iii) THE BOARD OF TRUSTEES MAY LIMIT THE INVESTMENT**  
23 **OF A SPECIFIED PORTION OF THE RETIREMENT SAVINGS PLAN TO A CERTAIN**  
24 **TYPE OF PROPERTY.**

25                   **(iv) IF A CONTRACT WITH AN INVESTMENT MANAGER**  
26 **APPLIES ONLY TO A PORTION OF THE ASSETS OF THE RETIREMENT SAVINGS**  
27 **PLAN AND SPECIFIES THE TYPE OF PROPERTY TO BE INVESTED IN, THE**  
28 **MANAGER SHALL ACHIEVE DIVERSIFICATION WITHIN THE SPECIFIED CATEGORY**  
29 **OF PROPERTY, BUT IS NOT RESPONSIBLE FOR DIVERSIFICATION OF**  
30 **INVESTMENTS OF THE ENTIRE RETIREMENT SAVINGS PLAN.**

31                   **(v) THE BOARD OF TRUSTEES MAY DELEGATE TO THE**  
32 **INVESTMENT MANAGER ANY POWER OR DISCRETION CONFERRED ON THE**  
33 **BOARD OF TRUSTEES UNDER THIS TITLE AND MAY PROVIDE THAT THE**

1 INVESTMENT MANAGER SHALL HAVE CUSTODY AND CONTROL OF CERTAIN  
2 ASSETS OF THE RETIREMENT SAVINGS PLAN.

3 (3) (I) THE BOARD OF TRUSTEES SHALL MONITOR THE  
4 PERFORMANCE OF ANY INVESTMENT MANAGER.

5 (II) MONITORING MAY INCLUDE ANY TESTS OR ANALYSES  
6 THAT THE BOARD OF TRUSTEES CONSIDERS PRUDENT IN THE CIRCUMSTANCES.

7 (I) THE BOARD OF TRUSTEES SHALL PAY ALL BENEFITS AND  
8 EXPENSES OF THE RETIREMENT SAVINGS PLAN.

9 33A-504.

10 (A) THE STATE EXPECTS TO CONTINUE THE RETIREMENT SAVINGS  
11 PLAN, BUT IT ASSUMES NO CONTRACTUAL OBLIGATION TO CONTINUE THE PLAN  
12 AND RESERVES THE RIGHT AT ANY TIME FOR ANY REASON TO AMEND THE  
13 RETIREMENT SAVINGS PLAN.

14 (B) THE RETIREMENT SAVINGS PLAN AND ANY RELATED TRUST  
15 AGREEMENT, INVESTMENT ADVISORY AGREEMENT, CUSTODIAL AGREEMENT,  
16 ANNUITY CONTRACT, OR SIMILAR AGREEMENT MAY BE AMENDED BY THE STATE  
17 AT ANY TIME, EITHER PROSPECTIVELY OR RETROACTIVELY, TO CONFORM TO  
18 THE INTERNAL REVENUE CODE.

19 (C) (1) THE STATE HAS ESTABLISHED THE RETIREMENT SAVINGS  
20 PLAN WITH THE EXPECTATION THAT THE STATE WILL BE ABLE TO MAKE  
21 CONTRIBUTIONS INDEFINITELY, BUT THE STATE IS NOT UNDER ANY  
22 OBLIGATION TO CONTINUE CONTRIBUTIONS, OR MAINTAIN THE RETIREMENT  
23 SAVINGS PLAN FOR ANY LENGTH OF TIME, AND MAY TERMINATE THE  
24 RETIREMENT SAVINGS PLAN.

25 (2) IN THE EVENT OF A TERMINATION OF THE RETIREMENT  
26 SAVINGS PLAN, A PARTICIPATING EMPLOYEE WILL BECOME 100% VESTED IN  
27 THE MEMBER CONTRIBUTIONS ACCOUNT ON THE EFFECTIVE DATE OF A  
28 TERMINATION OF THE RETIREMENT SAVINGS PLAN.

29 (D) (1) IF A PARTICIPATING EMPLOYER DECIDES TO WITHDRAW OR  
30 OTHERWISE TERMINATE ITS PARTICIPATION IN THE RETIREMENT SAVINGS  
31 PLAN, THE PARTICIPATING EMPLOYER MAY NOTIFY THE BOARD OF TRUSTEES  
32 IN WRITING.



1           **(2) THE BOARD OF TRUSTEES AND THE APPROPRIATE OFFICER**  
2 **OF THE WITHDRAWING PARTICIPATING EMPLOYER SHALL AGREE ON A DATE**  
3 **FOR WITHDRAWAL.**

4           **(3) ANY TRANSFER OF ASSETS PURSUANT TO THE WITHDRAWAL**  
5 **SHALL SATISFY THE REQUIREMENTS OF THE INTERNAL REVENUE CODE.**

6 **33A-505.**

7           **(A) (1) THE RIGHT OF A PARTICIPATING EMPLOYEE IN THAT**  
8 **PARTICIPATING EMPLOYEE'S ACCOUNT BALANCES OR ANY OTHER RIGHT OR**  
9 **BENEFIT UNDER THIS TITLE ARE NOT SUBJECT TO EXECUTION, GARNISHMENT,**  
10 **ATTACHMENT, OR ANY OTHER PROCESS, AND ARE NOT ASSIGNABLE.**

11           **(2) (I) NOTWITHSTANDING PARAGRAPH (1) OF THIS**  
12 **SUBSECTION, A PORTION OR ALL OF A PARTICIPATING EMPLOYEE'S ACCOUNT**  
13 **BALANCES MAY BE PAID TO AN ALTERNATE PAYEE PURSUANT TO A QUALIFIED**  
14 **DOMESTIC RELATIONS ORDER UNDER THE INTERNAL REVENUE CODE.**

15           **(II) THE BOARD OF TRUSTEES SHALL ESTABLISH FORMS**  
16 **AND PROCEDURES TO DETERMINE THE QUALIFIED STATUS OF DOMESTIC**  
17 **RELATIONS ORDERS AND SHALL DETERMINE THE FORM AND TIMING OF**  
18 **DISTRIBUTIONS PERMISSIBLE UNDER SUCH QUALIFIED ORDERS.**

19           **(B) ANY PERSON WHO KNOWINGLY MAKES ANY FALSE STATEMENT OR**  
20 **FALSIFIES OR PERMITS TO BE FALSIFIED ANY RECORD OF THE RETIREMENT**  
21 **SAVINGS PLAN IN ANY ATTEMPT TO DEFRAUD THE RETIREMENT SAVINGS PLAN**  
22 **IS SUBJECT TO PUNISHMENT FOR A CLASS A VIOLATION.**

23           **(C) (1) IF ANY CHANGE OR ERROR IN THE RECORDS RESULTS IN ANY**  
24 **PARTICIPATING EMPLOYEE OR BENEFICIARY RECEIVING FROM THE**  
25 **RETIREMENT SAVINGS PLAN MORE OR LESS THAN THE PARTICIPATING**  
26 **EMPLOYEE OR BENEFICIARY IS ENTITLED TO RECEIVE HAD THE RECORDS BEEN**  
27 **CORRECT, THE ERROR SHALL BE CORRECTED, AND AS FAR AS PRACTICABLE,**  
28 **THE PAYMENT SHALL BE ADJUSTED IN SUCH MANNER THAT THE AMOUNT OF**  
29 **THE BENEFIT TO WHICH THAT PARTICIPATING EMPLOYEE OR BENEFICIARY WAS**  
30 **CORRECTLY ENTITLED WILL BE PAID.**

31           **(2) IF ANY PARTICIPATING EMPLOYEE OR BENEFICIARY HAS**  
32 **RECEIVED ANY PAYMENT FROM THE RETIREMENT SAVINGS PLAN TO WHICH THE**  
33 **PARTICIPATING EMPLOYEE OR BENEFICIARY IS NOT ENTITLED, THE**  
34 **PARTICIPATING EMPLOYEE OR BENEFICIARY SHALL REFUND THAT AMOUNT TO**  
35 **THE RETIREMENT SAVINGS PLAN.**

1           **(D) (1) IF THE BOARD OF TRUSTEES IS UNABLE TO LOCATE A**  
2 **FORMER PARTICIPATING EMPLOYEE OR A BENEFICIARY FOLLOWING A FORMER**  
3 **PARTICIPATING EMPLOYEE'S DEATH OR ATTAINMENT OF NORMAL RETIREMENT**  
4 **AGE, THE BOARD OF TRUSTEES SHALL TAKE REASONABLE STEPS TO LOCATE**  
5 **THE FORMER PARTICIPATING EMPLOYEE OR BENEFICIARY, INCLUDING USING**  
6 **THE RESOURCES AVAILABLE THROUGH THE FEDERAL SOCIAL SECURITY**  
7 **ADMINISTRATION AND THE INTERNAL REVENUE SERVICE.**

8           **(2) IF THE BOARD OF TRUSTEES IS UNABLE TO LOCATE THE**  
9 **FORMER PARTICIPATING EMPLOYEE OR BENEFICIARY AFTER MAKING**  
10 **REASONABLE EFFORTS, THE BOARD OF TRUSTEES SHALL, AFTER 5 PLAN YEARS**  
11 **HAVE PASSED, DISTRIBUTE THE FORMER PARTICIPATING EMPLOYEE'S OR**  
12 **BENEFICIARY'S ACCOUNT BALANCES TO THE STATE.**

13           **(3) IF THE FORMER PARTICIPATING EMPLOYEE OR BENEFICIARY**  
14 **RETURNS, SATISFACTORILY PROVES THE PARTICIPATING EMPLOYEE'S OR**  
15 **BENEFICIARY'S IDENTITY, AND REQUESTS THE ACCOUNT BALANCES AFTER THE**  
16 **MONEY HAS ESCHEATED TO THE STATE, THE STATE SHALL MAKE A**  
17 **CONTRIBUTION TO THE RETIREMENT SAVINGS PLAN AND PAY THE**  
18 **PARTICIPATING EMPLOYEE OR BENEFICIARY THE ACCOUNT BALANCES TO**  
19 **WHICH THE PARTICIPATING EMPLOYEE OR BENEFICIARY IS ENTITLED.**

20           **(E) THE RETIREMENT SAVINGS PLAN TRUST FUND SHALL BE HELD FOR**  
21 **THE EXCLUSIVE PURPOSE OF PROVIDING BENEFITS TO PARTICIPATING**  
22 **EMPLOYEES AND BENEFICIARIES AND DEFRAYING REASONABLE EXPENSES OF**  
23 **ADMINISTERING THE PLAN AND, EXCEPT AS OTHERWISE PROVIDED UNDER THE**  
24 **INTERNAL REVENUE CODE, NO PART OF THE TRUST FUND SHALL EVER INURE**  
25 **TO THE BENEFIT OF THE STATE.**

26           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 June 1, 2011.