

HOUSE BILL 194

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CF 4lr0466

By: **Delegates Rosenberg, Carter, and Oaks**
Introduced and read first time: January 16, 2014
Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Optional Retirement Program – Payment of Benefits – Criteria**

3 FOR the purpose of requiring benefits from the Optional Retirement Program to be
4 payable beginning at the earlier of the date that a participating employee
5 separates from employment or becomes a certain age; providing that obligations
6 or rights under presently existing annuity contracts may not be impaired by
7 this Act; and generally relating to criteria for the payment of benefits from the
8 Optional Retirement Program.

9 BY repealing and reenacting, without amendments,
10 Article – State Personnel and Pensions
11 Section 30–101 and 30–201
12 Annotated Code of Maryland
13 (2009 Replacement Volume and 2013 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – State Personnel and Pensions
16 Section 30–207
17 Annotated Code of Maryland
18 (2009 Replacement Volume and 2013 Supplement)

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

21 **Article – State Personnel and Pensions**

22 30–101.

23 (a) In this title the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 (b) (1) “Annuity contract” means a fixed or variable annuity contract or
2 combination of fixed or variable annuity contracts authorized under § 403(a) or (b) of
3 the Internal Revenue Code.

4 (2) “Annuity contract” includes a custodial account to be invested in
5 regulated investment company stock as provided in § 401(f) or § 403(b)(7) of the
6 Internal Revenue Code.

7 (c) “Designated company” means an entity that:

8 (1) on or before March 1, 1993, was designated by the governing board
9 of an employing institution to offer annuity contracts under the program; or

10 (2) is designated by the Board of Trustees.

11 (d) “Eligible employee” means an individual eligible to participate in the
12 program.

13 (e) “Employing institution” means:

14 (1) the University System of Maryland;

15 (2) Morgan State University;

16 (3) St. Mary’s College;

17 (4) the Maryland Higher Education Commission with respect to
18 eligible employees of the Commission; and

19 (5) any community college or regional community college established
20 under Title 16 of the Education Article.

21 (f) “Participating employee” means an eligible employee who elects to
22 participate in the program.

23 (g) “Pension system” means the Employees’ Pension System or the Teachers’
24 Pension System.

25 (h) “Program” means the optional retirement program established under §
26 30–201 of this title.

27 (i) “Retirement system” means the Employees’ Retirement System or the
28 Teachers’ Retirement System.

29 (j) “Supplemental retirement plans” means plans established pursuant to §
30 30–401 of this title.

1 30-201.

2 (a) There is an optional retirement program in which eligible employees may
3 participate.

4 (b) Under the program, annuity contracts offered by a designated company
5 that provide retirement and death benefits may be purchased for participating
6 employees.

7 (c) (1) The Board of Trustees shall administer the program to the extent
8 provided in this title.

9 (2) The State Retirement Agency shall carry out the administrative
10 duties of the Board of Trustees.

11 (d) The program shall be offered by each employing institution.

12 30-207.

13 (A) Benefits under the program[:

14 (1)] shall be:

15 (1) payable to participating employees or their beneficiaries in
16 accordance with the terms of the annuity contracts; and

17 (2) **PAYABLE BEGINNING AT THE EARLIER OF THE DATE THAT A**
18 **PARTICIPATING EMPLOYEE:**

19 (I) **SEPARATES FROM EMPLOYMENT; OR**

20 (II) **BECOMES 70 YEARS AND 6 MONTHS OLD.**

21 [(2)] (B) **BENEFITS UNDER THE PROGRAM** are not payable by the
22 State or governing board of an employing institution.

23 SECTION 2. AND BE IT FURTHER ENACTED, That obligations or rights
24 under a presently existing annuity contract may not be impaired in any way by this
25 Act.

26 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 2014.