

HOUSE BILL 1047

K4

4lr0634

By: **Prince George's County Delegation**

Introduced and read first time: February 6, 2014

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 10, 2014

CHAPTER _____

1 AN ACT concerning

2 **Employees' Pension System – Prince George's County – ~~Optional~~ Officials –**
3 **Membership**

4 **PG 418–14**

5 FOR the purpose of providing that membership in the Employees' Pension System is
6 optional for certain individuals employed by Prince George's County in certain
7 positions on or after certain dates; requiring individuals who elect to join the
8 Employees' Pension System to make the election within a certain period of time;
9 requiring individuals who elect to join the Employees' Pension System to
10 complete a certain form and file it with the Board of Trustees for the State
11 Retirement and Pension System; providing that membership in the Employees'
12 Pension System is mandatory for certain individuals; providing that
13 membership in the Employees' Pension System is prohibited for certain
14 individuals; providing that certain individuals who do not make an election to
15 join the Employees' Pension System within a certain period of time may not join
16 the Employees' Pension System; providing that certain individuals' election or
17 failure to elect to join the Employees' Pension System is a one-time, irrevocable
18 decision; requiring the Board of Trustees to adopt certain regulations; requiring
19 the State Retirement Agency to provide a certain report on or before a certain
20 date to the Joint Committee on Pensions; and generally relating to ~~optional~~
21 membership in the Employees' Pension System for individuals employed by
22 Prince George's County in certain positions.

23 BY repealing and reenacting, without amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – State Personnel and Pensions
2 Section 23–203 and 23–204(a) and (b)(2)
3 Annotated Code of Maryland
4 (2009 Replacement Volume and 2013 Supplement)

5 BY repealing and reenacting, with amendments,
6 Article – State Personnel and Pensions
7 Section 23–204(b)(1)
8 Annotated Code of Maryland
9 (2009 Replacement Volume and 2013 Supplement)

10 BY adding to
11 Article – State Personnel and Pensions
12 Section 23–204(f)
13 Annotated Code of Maryland
14 (2009 Replacement Volume and 2013 Supplement)

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

17 **Article – State Personnel and Pensions**

18 23–203.

19 Except as provided in § 23–204 of this subtitle, an individual described in §
20 23–201(a) of this subtitle who becomes an employee of a participating employer on or
21 after January 1, 1980, or who transfers membership from the Employees’ Retirement
22 System, is a member of the Employees’ Pension System as a condition of employment.

23 23–204.

24 (a) (1) This subsection applies to an individual who on June 30, 2004,
25 receives an annual salary and who is:

26 (i) an elected or appointed official;

27 (ii) an employee of the Governor’s office;

28 (iii) an employee of the Senate or House of Delegates;

29 (iv) a member of the Prince George’s County Board of License
30 Commissioners; or

31 (v) an employee of Dorchester County who is not a member of
32 the county’s general pension and retirement program.

1 (2) Membership in the Employees' Pension System is optional for an
2 individual under paragraph (1) of this subsection while the individual remains
3 employed in the position the individual held on June 30, 2004.

4 (3) (i) In lieu of membership in any other retirement or pension
5 system operated under the laws of the State or any political subdivision of the State,
6 an individual under paragraph (1)(i) of this subsection may elect to join the
7 Employees' Pension System within 1 year of employment or July 1, 2008, whichever is
8 later.

9 (ii) An individual under paragraph (1)(i) of this subsection who
10 elects to join the Employees' Pension System under subparagraph (i) of this
11 paragraph, may transfer from a State or local retirement or pension system to the
12 Employees' Pension System in accordance with Title 37 of this article, any service
13 credit earned while serving in that position.

14 (b) (1) This subsection does not apply to:

15 (I) an employee of the Town of Berwyn Heights; OR

16 (II) **AN INDIVIDUAL EMPLOYED BY PRINCE GEORGE'S**
17 **COUNTY WHO IS SUBJECT TO THE PROVISIONS OF SUBSECTION (F) OF THIS**
18 **SECTION.**

19 (2) (i) Except as provided in paragraph (3) of this subsection, this
20 subsection applies only to the employees of a participating governmental unit who:

21 1. are employed by the participating governmental unit
22 on June 30, 2004; and

23 2. were employed by the participating governmental
24 unit on the effective date of participation in the State systems.

25 (ii) Except as provided in paragraph (3) of this subsection,
26 membership in the Employees' Pension System is optional for an individual under
27 subparagraph (i) of this paragraph until the individual ceases employment with the
28 participating governmental unit that was employing the individual on June 30, 2004.

29 **(F) (1) THIS SUBSECTION APPLIES TO AN INDIVIDUAL WHO IS**
30 **EMPLOYED BY PRINCE GEORGE'S COUNTY AS:**

31 (I) **THE CHIEF ADMINISTRATIVE OFFICER;**

32 (II) **A DEPUTY CHIEF ADMINISTRATIVE OFFICER;**

33 (III) **A DIRECTOR OF A COUNTY OFFICE OR DEPARTMENT;**

1 (IV) A COUNTY COUNCIL ADMINISTRATOR;

2 (V) A DEPUTY DIRECTOR OF A COUNTY OFFICE OR
3 DEPARTMENT; OR

4 (VI) AN EXECUTIVE DIRECTOR.

5 (2) (I) MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM IS
6 OPTIONAL FOR:

7 ~~1. AN INDIVIDUAL WHO:~~

8 ~~A. BEGINS SERVING IN A POSITION LISTED IN~~
9 ~~PARAGRAPH (1) OF THIS SUBSECTION ON OR AFTER JULY 1, 2004, BUT BEFORE~~
10 ~~JULY 1, 2014;~~

11 ~~B. REMAINS IN A POSITION LISTED IN PARAGRAPH~~
12 ~~(1) OF THIS SUBSECTION ON JULY 1, 2014; AND~~

13 ~~C. IS NOT ENROLLED IN THE EMPLOYEES' PENSION~~
14 ~~SYSTEM; OR~~

15 ~~2. EXCEPT AS PROVIDED IN PARAGRAPH (4)(III) OF~~
16 ~~THIS SUBSECTION, AN INDIVIDUAL WHO BEGINS SERVING IN A POSITION LISTED~~
17 ~~IN PARAGRAPH (1) OF THIS SUBSECTION ON OR AFTER JULY 1, 2014.~~

18 (II) AN INDIVIDUAL DESCRIBED UNDER SUBPARAGRAPH (I)
19 OF THIS PARAGRAPH WHO ELECTS TO JOIN THE EMPLOYEES' PENSION SYSTEM
20 SHALL MAKE THE ELECTION IN WRITING ON A FORM PROVIDED BY THE BOARD
21 OF TRUSTEES AND MUST FILE THE FORM WITH THE BOARD OF TRUSTEES
22 WITHIN 1 YEAR OF EMPLOYMENT ~~OR BY SEPTEMBER 30, 2014, WHICHEVER IS~~
23 ~~LATER.~~

24 (3) MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM IS
25 MANDATORY FOR:

26 (I) AN INDIVIDUAL WHO:

27 1. IS EMPLOYED IN ONE OF THE POSITIONS LISTED
28 UNDER PARAGRAPH (1) OF THIS SUBSECTION ON OR BEFORE JUNE 30, 2014;
29 AND

1 2. IS ENROLLED AS A MEMBER OF THE EMPLOYEES'
2 PENSION SYSTEM; OR

3 (II) AN INDIVIDUAL DESCRIBED UNDER PARAGRAPH (2) (I)
4 OF THIS SUBSECTION WHO ELECTED TO JOIN THE EMPLOYEES' PENSION
5 SYSTEM UNDER PARAGRAPH (2)(II) OF THIS SUBSECTION.

6 (4) MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM IS
7 PROHIBITED FOR AN INDIVIDUAL WHO:

8 (I) BEGINS SERVING IN A POSITION LISTED IN PARAGRAPH
9 (1) OF THIS SUBSECTION ON OR AFTER JULY 1, 2004, BUT BEFORE JULY 1,
10 2014;

11 (II) REMAINS IN A POSITION LISTED IN PARAGRAPH (1) OF
12 THIS SUBSECTION ON OR AFTER JULY 1, 2014; AND

13 (III) IS NOT ENROLLED IN THE EMPLOYEES' PENSION
14 SYSTEM.

15 ~~(4)~~ (5) (I) AN INDIVIDUAL'S ELECTION UNDER PARAGRAPH
16 (2)(II) OF THIS SUBSECTION TO JOIN THE EMPLOYEES' PENSION SYSTEM OR AN
17 INDIVIDUAL'S FAILURE TO ELECT TO JOIN THE EMPLOYEES' PENSION SYSTEM
18 WITHIN THE REQUIRED TIME PERIOD IS A ONE-TIME, IRREVOCABLE DECISION.

19 (II) AN INDIVIDUAL EMPLOYED IN ONE OF THE POSITIONS
20 LISTED UNDER PARAGRAPH (1) OF THIS SUBSECTION WHO DOES NOT ELECT TO
21 JOIN THE EMPLOYEES' PENSION SYSTEM UNDER PARAGRAPH (2)(II) OF THIS
22 SUBSECTION MAY NOT JOIN THE EMPLOYEES' PENSION SYSTEM WHILE
23 EMPLOYED IN ONE OF THE POSITIONS LISTED UNDER PARAGRAPH (1) OF THIS
24 SUBSECTION.

25 (III) AN INDIVIDUAL DESCRIBED UNDER PARAGRAPH (4) OF
26 THIS SUBSECTION OR SUBPARAGRAPH (II) OF THIS PARAGRAPH WHO CHANGES
27 EMPLOYMENT TO A DIFFERENT POSITION UNDER PARAGRAPH (1) OF THIS
28 SUBSECTION, WHETHER OR NOT A BREAK IN EMPLOYMENT OCCURS, MAY NOT
29 ELECT TO JOIN THE EMPLOYEES' PENSION SYSTEM.

30 ~~(5)~~ (6) THE BOARD OF TRUSTEES SHALL ADOPT REGULATIONS
31 TO IMPLEMENT THIS SECTION.

32 SECTION 2. AND BE IT FURTHER ENACTED, That:

33 (a) The State Retirement Agency shall:

1 (1) conduct a study regarding the membership of elected and
2 appointed officials in the Employees' Pension System, including:

3 (i) the elected and appointed officials who are required to join
4 the Employees' Pension System as a condition of employment under current law;

5 (ii) the elected and appointed officials who have optional
6 membership in the Employees' Pension System under current law; and

7 (iii) the impact of the 10-year vesting period under the Reformed
8 Contributory Pension Benefit on the elected and appointed officials who began serving
9 on or after July 1, 2011; and

10 (2) make recommendations regarding suggested statutory changes
11 relating to the membership of elected and appointed officials in the Employees'
12 Pension System.

13 (b) On or before December 1, 2014, the State Retirement Agency shall report
14 its findings and recommendations to the Joint Committee on Pensions.

15 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
16 effect July 1, 2014.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.