SENATE BILL 560

K4 5lr0900

By: Senator Peters

Introduced and read first time: February 6, 2015

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

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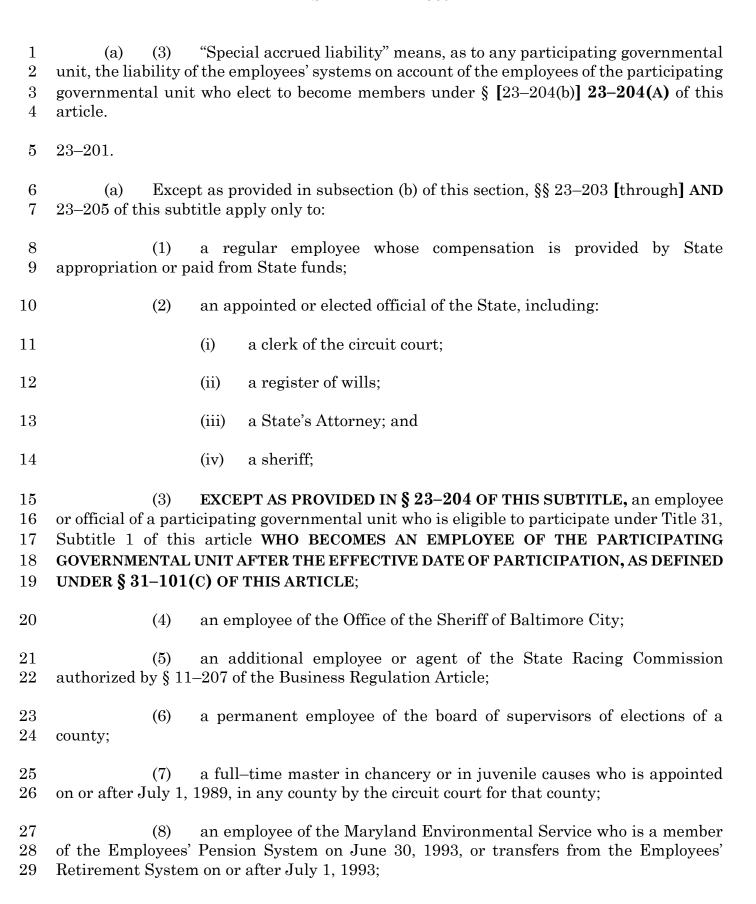
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Employees' Pension System – Elected and Appointed Officials – Optional Membership

4 FOR the purpose of providing that membership in the Employees' Pension System is 5 optional for certain officials who are elected or appointed for a fixed term; requiring 6 certain individuals who elect to join the Employees' Pension System to complete a 7 certain form and file it with the Board of Trustees for the State Retirement and 8 Pension System within a certain period of time; providing that certain individuals 9 who do not make an election to join the Employees' Pension System within a certain 10 period of time may not join the Employees' Pension System; providing that certain 11 individuals' election or failure to elect to join the Employees' Pension System is a 12 one-time, irrevocable decision; simplifying and clarifying certain provisions of law 13 regarding mandatory and optional membership of employees of participating governmental units in the Employees' Pension System; requiring the Board of 14 Trustees to adopt certain regulations; making conforming changes; and generally 15 16 relating to optional membership in the Employees' Pension System for certain 17 elected and appointed officials.

- 18 BY repealing and reenacting, with amendments,
- 19 Article State Personnel and Pensions
- 20 Section 21–305.3(a)(3), 23–201(a) and (b), 23–204, 31–111.4(a), 31–111.8(a), and
- 31-113(b)(1)(iii) and (d)(1)(i)
- 22 Annotated Code of Maryland
- 23 (2009 Replacement Volume and 2014 Supplement)
- 24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND.
- 25 That the Laws of Maryland read as follows:
- 26 Article State Personnel and Pensions
- 27 21–305.3.





- 1 (9)a former Baltimore City jail employee who became an employee of the 2 Baltimore City Detention Center and a member of the Employees' Pension System on July 3 1, 1991; a nonfaculty employee of the Baltimore City Community College who: 4 (10)5 (i) is a member of the Employees' Pension System on October 1, 6 2002; 7 transfers from the Employees' Retirement System on or after (ii) 8 October 1, 2002; 9 transfers from the Teachers' Pension System in accordance with (iii) $\S 23-202.1$ of this subtitle; or 10 11 (iv) becomes an employee of the Baltimore City Community College 12 on or after October 1, 2002; 13 a court reporter for the Circuit Court for Charles County who is a member of the Employees' Pension System on July 1, 1994, or transfers from the 14 Employees' Retirement System on or after July 1, 1994; 15 16 a staff employee of the University System of Maryland, Morgan State (12)17 University, or St. Mary's College who is: 18 a member of the Employees' Pension System on January 1, 1998, or transfers from the Employees' Retirement System on or after January 1, 1998; or 19 20 a staff employee of the University System of Maryland, Morgan 21State University, or St. Mary's College who becomes an employee on or after January 1,
- [(13) on or after the date that the Board of Education of Kent County begins participation in the Employees' Pension System, a supportive service employee of the Board of Education of Kent County;

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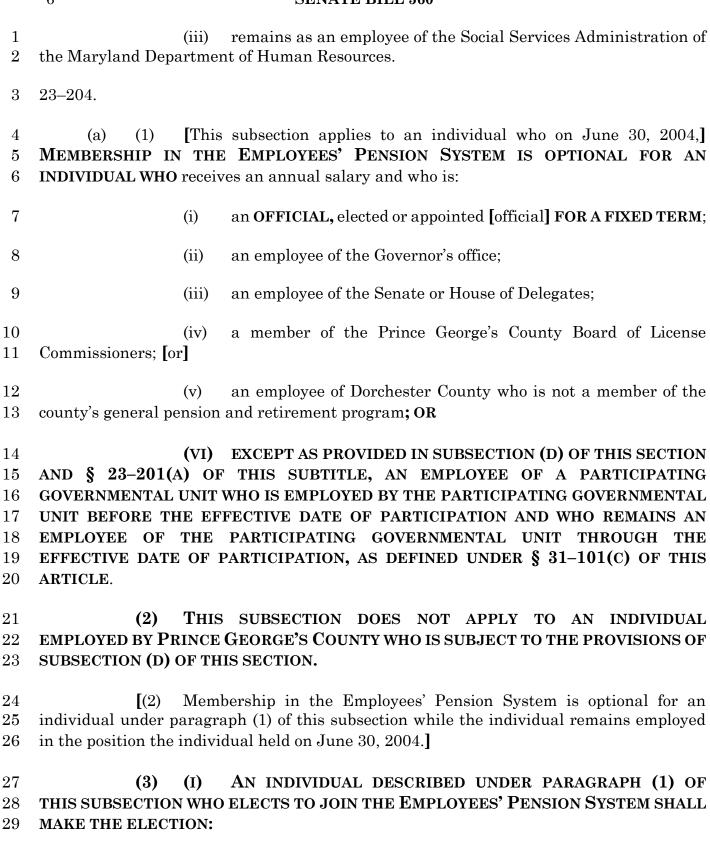
- 26 (14) an employee of the Town of Oakland on or after the date that the Town of Oakland begins participation in the Employees' Pension System;
- 28 (15) an employee of the City of Frostburg on or after the date that the City of Frostburg begins participation in the Employees' Pension System;
- 30 (16) an employee of the Town of Berwyn Heights on or after the date that 31 the Town of Berwyn Heights begins participation in the Employees' Pension System;
- 32 (17) an employee of the Town of Sykesville on or after the date that the Town 33 of Sykesville begins participation in the Employees' Pension System;

1 2	(18) an employee of the Town of University Park on or after the date that the Town of University Park begins participation in the Employees' Pension System;]
3 4	[(19)](13) AN INDIVIDUAL WHO, ON AND BEFORE THE EFFECTIVE DATE OF PARTICIPATION AS DEFINED UNDER § 31–101(C) OF THIS ARTICLE, IS:
5 6	(I) A SUPPORTIVE SERVICE EMPLOYEE OF THE BOARD OF EDUCATION OF KENT COUNTY;
7	(II) AN EMPLOYEE OF THE TOWN OF OAKLAND;
8	(III) AN EMPLOYEE OF THE CITY OF FROSTBURG;
9	(IV) AN EMPLOYEE OF THE TOWN OF SYKESVILLE; OR
10	(V) AN EMPLOYEE OF THE TOWN OF UNIVERSITY PARK; AND
11 12 13	[(19)](14) an employee of the Maryland Automobile Insurance Fund on or after the date that the Maryland Automobile Insurance Fund begins participation in the Employees' Pension System[; and
14 15	(20) an employee of the City of College Park on or after the date that the City of College Park begins participation in the Employees' Pension System].
16	(b) Sections 23–203 [through] AND 23–205 of this subtitle do not apply to:
17 18	(1) an individual who is or is entitled to be a member of any State system other than the Employees' Pension System;
19	(2) a contractual, emergency, or temporary extra employee;
20 21	(3) an individual who is employed under a federal public service employment program;
22 23	(4) an assessor who is a member of a retirement or pension system operated by a political subdivision of the State;
24 25	(5) an employee of a local board of elections who chooses to stay in a local merit system under § 2–207 of the Election Law Article;
26 27	(6) a nonclerical or nonprofessional employee of the Baltimore City Community College who:

- 1 was an employee of the New Community College of Baltimore (i) 2 during the 1989–1990 academic year; 3 was employed by the New Community College of Baltimore on or before December 31, 1990, as a "Class A" member of the Baltimore City Retirement Plan; 4 5 and 6 elected to remain a member of the Baltimore City Retirement (iii) 7 Plan; 8 (7)an employee who is not a member of a State system and who accepts a 9 position for which the budgeted hours per fiscal year are less than 500 hours in the first fiscal year of employment; 10 an employee of the Domestic Relations Division of the Anne Arundel 11 12 County Circuit Court who: 13 (i) was transferred on or after July 1, 2002, into the State Personnel 14 Management System as an employee of the Child Support Enforcement Administration of the Maryland Department of Human Resources; 15 16 elected, under § 2-510 of the Courts Article, to remain as a (ii) participant in the Anne Arundel County Retirement and Pension System; and 17 18 remains as an employee of the Child Support Enforcement (iii) Administration of the Maryland Department of Human Resources or an attorney employed 19 20 to represent the Child Support Enforcement Administration; 21a nonfaculty employee of the Baltimore City Community College who is 22eligible to participate and elects to participate in an optional retirement program under Title 30 of this article: 2324an appointed or elected official who on or after July 1, 2007, is a member 25of any other State or local retirement or pension system as defined under Title 37 of this article; or 26 27 the Director of the Department of Social Services in Montgomery (11)28 County who: 29 was transferred into the State Personnel Management System (i) 30 as an employee of the Social Services Administration of the Maryland Department of 31 Human Resources;
- 32 (ii) elected, under § 3–403.1 of the Human Services Article, to 33 remain as a participant in the Montgomery County Employees' Retirement System; and

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TRUSTEES; AND



IN WRITING ON A FORM PROVIDED BY THE BOARD OF

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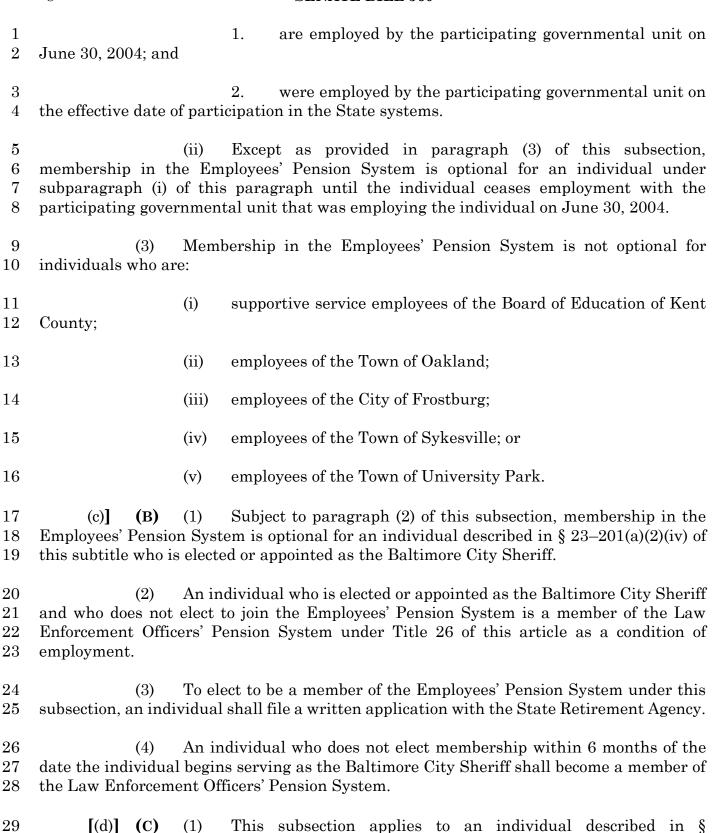
- 1 2. Α. WITHIN 3 MONTHS OF FIRST BECOMING 2 EMPLOYED IN A POSITION DESCRIBED IN PARAGRAPH (1)(I) THROUGH (V) OF THIS 3 SUBSECTION; OR B. 4 WITHIN 3 MONTHS OF THE EFFECTIVE DATE OF 5 PARTICIPATION OF THE PARTICIPATING GOVERNMENTAL UNIT EMPLOYING THE 6 INDIVIDUAL UNDER PARAGRAPH (1)(VI) OF THIS SUBSECTION. 7 IF AN ELECTION TO JOIN THE EMPLOYEES' PENSION System is not received by the Board of Trustees within the period of 8 9 TIME DESCRIBED IN SUBPARAGRAPH (I)2 OF THIS PARAGRAPH, THE INDIVIDUAL MAY NOT ELECT TO JOIN THE EMPLOYEES' PENSION SYSTEM WHILE EMPLOYED IN 10 11 THAT POSITION. 12 (III) AN INDIVIDUAL'S ELECTION TO JOIN THE EMPLOYEES' 13 PENSION SYSTEM OR AN INDIVIDUAL'S FAILURE TO ELECT TO JOIN THE EMPLOYEES' PENSION SYSTEM WITHIN THE REQUIRED TIME PERIOD IS A 14 ONE-TIME, IRREVOCABLE DECISION. 15 16 THE BOARD OF TRUSTEES SHALL ADOPT REGULATIONS TO **(4)** 17 IMPLEMENT THIS SUBSECTION. 18 In lieu of membership in any other retirement or pension system (3)operated under the laws of the State or any political subdivision of the State, an individual 19 under paragraph (1)(i) of this subsection may elect to join the Employees' Pension System 20within 1 year of employment or July 1, 2008, whichever is later. 2122 An individual under paragraph (1)(i) of this subsection who elects 23 to join the Employees' Pension System under subparagraph (i) of this paragraph, may 24transfer from a State or local retirement or pension system to the Employees' Pension System in accordance with Title 37 of this article, any service credit earned while serving 25in that position. 26 27 (b) This subsection does not apply to: (1) 28(i) an employee of the Town of Berwyn Heights; 29 (ii) the City of College Park; or 30 (iii) an individual employed by Prince George's County who is subject
- 32 (2) (i) Except as provided in paragraph (3) of this subsection, this subsection applies only to the employees of a participating governmental unit who:

to the provisions of subsection (g) of this section.

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under this section.



32 (2) An individual described in paragraph (1) of this subsection may elect 33 membership in the Law Enforcement Officers' Pension System if the county employing the

23-201(a)(2)(iv) of this subtitle who elects membership in the Employees' Pension System

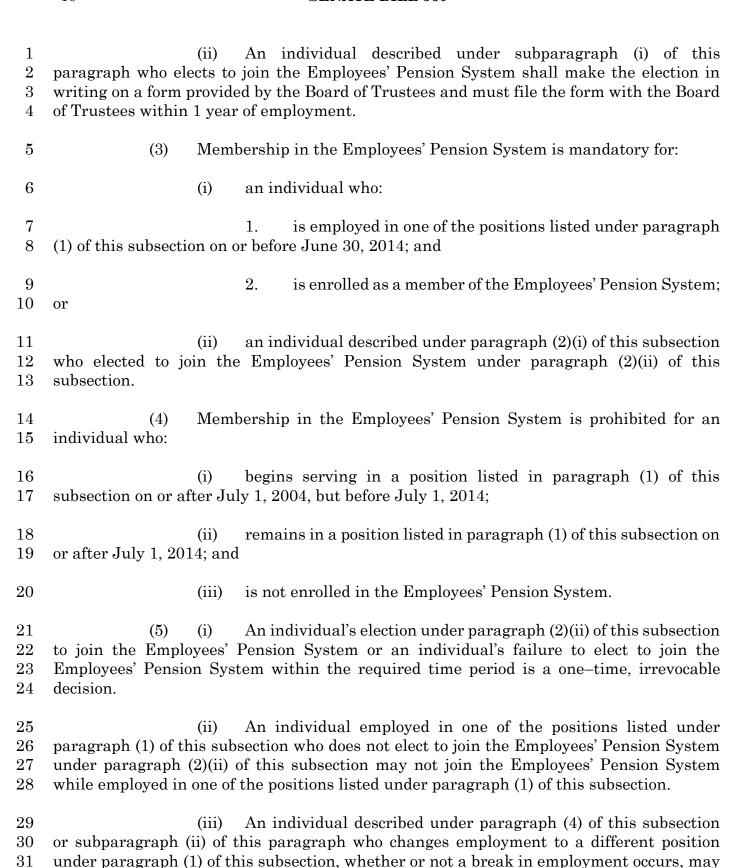
- 1 individual elects to become an eligible governmental unit in the Law Enforcement Officers' 2 Pension System in accordance with §§ 31–2A–02 through 31–2A–05 of this article. 3 If an individual transfers to the Law Enforcement Officers' Pension 4 System under this subsection, the eligible governmental unit is responsible for all employer contributions required for the individual under § 21–306.1 of this article. 5 6 **[**(e) This subsection applies only to an individual who is an employee of the 7 Town of Berwyn Heights on June 30, 2008. 8 (2)Subject to paragraph (3) of this subsection, membership in the 9 Employees' Pension System is optional for an individual described in paragraph (1) of this 10 subsection who elects membership on July 1, 2008. 11 To elect to be a member of the Employees' Pension System, an 12 individual shall file a written application with the Board of Trustees on a form that the 13 Board of Trustees provides. 14 This subsection applies only to an individual who is an employee of the City of College Park on June 30, 2014. 15 16 Subject to paragraph (3) of this subsection, membership in the (2)17 Employees' Pension System is optional for an individual described in paragraph (1) of this subsection who elects membership on July 1, 2014. 18 19 To elect to be a member of the Employees' Pension System, an 20 individual shall file a written application with the Board of Trustees on a form that the 21Board of Trustees provides. 22 [(g)] **(**D**)** This subsection applies to an individual who is employed by (1) Prince George's County as: 23 24the Chief Administrative Officer; (i) 25 (ii) a Deputy Chief Administrative Officer; 26 (iii) a director of a county office or department; 27 (iv) a County Council Administrator; 28(v) a Deputy Director of a county office or department; or
- 30 (2) (i) Membership in the Employees' Pension System is optional for an individual who begins serving in a position listed in paragraph (1) of this subsection on or after July 1, 2014.

an Executive Director.

(vi)

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not elect to join the Employees' Pension System.



- 1 (6) The Board of Trustees shall adopt regulations to implement this 2 section.
- 3 31–111.4.
- 4 (a) An individual who elects membership in the Employees' Pension System 5 under § [23–204(e)] 23–204(A) of this article and is an employee of the Town of Berwyn 6 Heights on the effective date shall receive eligibility service and creditable service in the 7 Employees' Pension System equal to one—third of the individual's period of employment
- 8 with the Town of Berwyn Heights before the effective date, as certified by the Town of
- 9 Berwyn Heights as of the effective date.
- 10 31–111.8.
- 11 (a) An individual who elects membership in the Employees' Pension System
- under § [23–204(f)] 23–204(A) of this article and is an employee of the City of College Park
- 13 on the effective date shall receive eligibility service and creditable service in the Employees'
- 14 Pension System equal to 60% of the individual's period of employment with the City of
- 15 College Park before the effective date as certified by the City of College Park as of the
- 16 effective date.
- 17 31–113.
- 18 (b) (1) An eligible governmental unit may elect to continue to operate a local pension system after the effective date of participation in the Employees' Pension System
- 20 to provide benefits to a person who:
- 21 (iii) did not elect to join the Employees' Pension System under § 22 [23–204(b)] **23–204(A)** of this article.
- 23 (d) (1) On the effective date:
- 24 (i) the assets to the credit of the local pension system of the 25 participating governmental unit that are attributable to the employees of the participating governmental unit who elect to become members of the Employees' Pension System under § [23–204(b)] 23–204(A) of this article shall be transferred to the Employees' Pension System; and
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 30 1, 2015.