

Chapter 10

(Senate Bill 102)

AN ACT concerning

State Retirement and Pension System – Accumulated Contributions of Nonvested Former Members

FOR the purpose of requiring certain accumulated contributions of certain nonvested former members to be transferred into a certain fund; providing that certain accumulated contributions shall be paid to certain former members under certain circumstances; requiring certain transferred accumulated contributions to be paid to certain nonvested former members from a certain fund under certain circumstances; making conforming changes; and generally relating to accumulated contributions of nonvested former members of the State Retirement and Pension System.

BY repealing and reenacting, with amendments,
 Article – State Personnel and Pensions
 Section 21–303(a) and 21–311
 Annotated Code of Maryland
 (2009 Replacement Volume and 2014 Supplement)

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

Article – State Personnel and Pensions

21–303.

(a) The Board of Trustees shall credit to the accumulation fund of each State system:

- (1) all employer contributions to the State system;
- (2) all interest, dividends, and other income derived from the assets of the State system; and
- (3) amounts transferred under § 21–311(c) **OR (D)** of this subtitle.

21–311.

(a) The Board of Trustees shall credit to each member's individual account in the annuity savings fund of the appropriate State system:

- (1) the member contributions of the member as provided in this Division II; and

(2) regular interest on the accumulated contributions of the member as provided in this Division II.

(b) From the annuity savings fund of the appropriate system, the Board of Trustees shall pay the accumulated contributions of a member OR FORMER MEMBER that, as provided in this Division II:

(1) are withdrawn by the member OR FORMER MEMBER; or

(2) if a member OR FORMER MEMBER dies, are paid to the member's OR FORMER MEMBER'S estate or designated beneficiary.

(c) When a member retires or a former member commences to receive a vested allowance, the Board of Trustees shall transfer the member's or former member's accumulated contributions from the annuity savings fund of the appropriate State system to the accumulation fund of that system.

(D) (1) IF A FORMER MEMBER IS NOT ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE, WHEN THE FORMER MEMBER'S MEMBERSHIP ENDS, THE BOARD OF TRUSTEES SHALL TRANSFER THE FORMER MEMBER'S ACCUMULATED CONTRIBUTIONS FROM THE ANNUITY SAVINGS FUND OF THE APPROPRIATE STATE SYSTEM TO THE ACCUMULATION FUND OF THAT SYSTEM.

(2) IF ACCUMULATED CONTRIBUTIONS OF A FORMER MEMBER ARE TRANSFERRED TO THE ACCUMULATION FUND UNDER PARAGRAPH (1) OF THIS SUBSECTION, AT THE REQUEST OF THE FORMER MEMBER, THE BOARD OF TRUSTEES SHALL RETURN THE ACCUMULATED CONTRIBUTIONS TO THE FORMER MEMBER FROM THE ACCUMULATION FUND.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2015.

Approved by the Governor, April 14, 2015.