

Chapter 64

**(Senate Bill 321)**

AN ACT concerning

**State Retirement and Pension System – Board of Trustees – Designee  
Appointments and Fiduciary Duties**

FOR the purpose of authorizing the Secretary of Budget and Management, the State Comptroller, and the State Treasurer to appoint certain individuals to serve as designees on the Board of Trustees for the State Retirement and Pension System; altering a certain defined term to provide for certain fiduciary duties of members of certain committees established by the Board; and generally relating to the Board of Trustees for the State Retirement and Pension System.

BY repealing and reenacting, with amendments,  
Article – State Personnel and Pensions  
Section 21–104(a) and 21–201(b)  
Annotated Code of Maryland  
(2015 Replacement Volume)

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

**Article – State Personnel and Pensions**

21–104.

(a) The Board of Trustees consists of the following 15 trustees:

(1) the Secretary of Budget and Management, ex officio, **WHO MAY APPOINT A DEPUTY SECRETARY ~~OR THE SECRETARY’S CHIEF OF STAFF~~ AS DESIGNEE;**

(2) the State Comptroller, ex officio, **WHO MAY APPOINT A DEPUTY COMPTROLLER ~~OR THE COMPTROLLER’S CHIEF OF STAFF~~ AS DESIGNEE;**

(3) the State Treasurer, ex officio, who may appoint a deputy treasurer ~~OR THE TREASURER’S CHIEF OF STAFF~~ as designee; and

(4) 12 trustees elected or appointed as follows:

(i) one trustee who is a member of the Correctional Officers’ Retirement System, the Employees’ Pension System, the Employees’ Retirement System, the Judges’ Retirement System, the Legislative Pension Plan, the Local Fire and Police

System, or the Law Enforcement Officers' Pension Plan, who shall be elected as provided in subsection (b) of this section and may not be an employee of the State Retirement Agency;

(ii) one trustee who is a retiree of the Correctional Officers' Retirement System, the Employees' Pension System, the Employees' Retirement System, the Judges' Retirement System, the Legislative Pension Plan, the Local Fire and Police System, or the Law Enforcement Officers' Pension Plan, who shall be elected as provided in subsection (b) of this section and may not be an employee of the State Retirement Agency;

(iii) one trustee who is a member of the Teachers' Pension System or the Teachers' Retirement System, who shall be elected as provided in subsection (b) of this section and may not be an employee of the State Retirement Agency;

(iv) one trustee who is a retiree of the Teachers' Pension System or the Teachers' Retirement System, who shall be elected as provided in subsection (b) of this section and may not be an employee of the State Retirement Agency;

(v) one trustee who is either a member or retiree of the State Police Retirement System, who shall be elected as provided in subsection (b) of this section and may not be an employee of the State Retirement Agency;

(vi) one trustee who represents the interests of participating governmental units in the Employees' Pension System and the Employees' Retirement System;

(vii) one trustee who represents the interests of county governments who has at least 10 years of experience in financial management and oversight of county government budgets; and

(viii) five trustees who:

1. represent the interests of the public;
2. are not members of any of the several systems;
3. are not employees, directors, partners, or officers of any of the external investment managers for the several systems;
4. do not have an ownership interest in any of the external investment managers of the several systems that is greater than 5% of the issued or outstanding stock;
5. are not directors, partners, or officers of any corporation or large organization in which any of the external managers for the several systems own 10% or more of the issued or outstanding stock of the corporation or large organization; and

6. have at least 10 years of substantial experience overseeing similar pension systems, large foundations, or other similar large organizations with fiduciary responsibilities relating to different classes of participants.

21–201.

(b) “Fiduciary” means:

- (1) a member of the Board of Trustees;
- (2) a member of the Investment Committee; [or]

**(3) A MEMBER OF A COMMITTEE ESTABLISHED BY THE BOARD OF TRUSTEES AS AUTHORIZED UNDER § 21–108 OF THIS TITLE; OR**

**[(3)] (4)** an employee of the State Retirement Agency who exercises any discretionary authority or control over:

- (i) the management or administration of the several systems; or
- (ii) the management or disposition of the assets of the several systems.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

**Approved by the Governor, April 12, 2016.**