

SENATE BILL 343

K4

(6lr1602)

ENROLLED BILL

— Budget and Taxation/Appropriations —

Introduced by **Senator Peters (Chair, Joint Committee on Pensions)**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Employees' and Teachers' Pension Systems – Alternate Contributory Pension**
3 **Selection and Reformed Contributory Pension Benefit – ~~Eligibility Service~~**
4 **Clarifications**

5 FOR the purpose of *repealing the date by which certain individuals who were subject to the*
6 *Alternate Contributory Pension Selection in the Employees' Pension System or*
7 *Teachers' Pension System before separating from employment must resume*
8 *employment in order to resume participation in the Alternate Contributory Pension*
9 *Selection; making a certain requirement for the Board of Trustees for the State*
10 *Retirement and Pension System to report on the number of certain members who*
11 *resume employment in certain systems and resume participation in the Alternate*
12 *Contributory Pension Selection to be an ongoing requirement for an annual report;*
13 clarifying that a member of the Employees' Pension System or the Teachers' Pension
14 System is eligible to receive certain prorated eligibility service credit if the member
15 is subject to the Reformed Contributory Pension Benefit and works less than a

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.

Italics indicate opposite chamber/conference committee amendments.



1 certain number of hours in a fiscal year; clarifying that certain eligibility service
 2 rules relating to a member's break in service do not apply to a member who is subject
 3 to the Reformed Contributory Pension Benefit; clarifying that eligibility service for
 4 a member who is subject to the Reformed Contributory Pension Benefit and has
 5 transferred between the Employees' Pension System and the Teachers' Pension
 6 System includes certain eligibility service under the previous system; and generally
 7 relating to the Alternate Contributory Pension Selection and the Reformed
 8 Contributory Pension Benefit of the Employees' Pension System and the Teachers'
 9 Pension System.

10 BY repealing and reenacting, with amendments,
 11 Article – State Personnel and Pensions
 12 Section 23-215.1, 23-302(d), 23-303(b), and 23-304
 13 Annotated Code of Maryland
 14 (2015 Replacement Volume)

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

17 **Article – State Personnel and Pensions**

18 23-215.1.

19 (a) This section applies to a member who:

20 (1) on or before June 30, 2011, is subject to the Alternate Contributory
 21 Pension Selection;

22 (2) (i) is separated from employment for 4 years or less;

23 (ii) 1. is separated from employment for more than 4 years for
 24 military service that meets the requirements of the federal Uniformed Services Employment
 25 and Reemployment Rights Act; and

26 2. resumes employment within 1 year of leaving military
 27 service in a position that is included in the Employees' Pension System or Teachers' Pension
 28 System; or

29 (iii) 1. is separated from employment for more than 4 years; and

30 2. on or before June 30, 2011, accrues the minimum eligibility
 31 service needed to be eligible for a vested allowance in the Alternate Contributory Pension
 32 Selection under Title 29, Subtitle 3 of this article;

33 (3) does not withdraw the member's accumulated contributions; and

34 (4) does not become a retiree.

1 **(b) A member described in subsection (a) of this section who [on or before June 30,**
2 **2016,] resumes employment in a position that is included in the Employees' Pension System**
3 **or Teachers' Pension System, shall resume participation in the Alternate Contributory**
4 **Pension Selection if the employer participates in the Alternate Contributory Pension**
5 **Selection.**

6 **(c) On or before October 1[, 2012, and each October 1 through October 1, 2016] OF**
7 **EACH YEAR, the Board of Trustees shall submit a report in accordance with § 2-1246 of the**
8 **State Government Article to the Joint Committee on Pensions that provides the number of**
9 **members described under subsection (a) of this section who were:**

10 **(1) rehired in the preceding fiscal year into a position included in the**
11 **Employees' Pension System or Teachers' Pension System; and**

12 **(2) participating in the Alternate Contributory Pension Selection.**

13 23-302.

14 (d) If a member who is subject to the contributory pension benefit [or], the
15 Alternate Contributory Pension Selection, **OR THE REFORMED CONTRIBUTORY**
16 **PENSION BENEFIT** completes less than 500 hours of employment while a member, the
17 Board of Trustees shall prorate the member's eligibility service based on the number of
18 hours worked.

19 23-303.

20 (b) (1) This section applies to a member of the Employees' Pension System or
21 the Teachers' Pension System who was a member of one of those State systems.

22 (2) This section does not apply to:

23 (i) a retiree of the Employees' Pension System or the Teachers'
24 Pension System; or

25 (ii) a member of the Employees' Pension System or Teachers'
26 Pension System who is subject to the contributory pension benefit [or], the Alternate
27 Contributory Pension Selection, **OR THE REFORMED CONTRIBUTORY PENSION**
28 **BENEFIT.**

29 23-304.

30 A member is entitled to eligibility service that equals:

31 (1) the member's service credit transferred from a retirement or pension
32 system under Title 37 of this article;

1 (2) for a member who has transferred to the Employees' Pension System
 2 from the Employees' Retirement System or to the Teachers' Pension System from the
 3 Teachers' Retirement System, the member's creditable service recognized under the
 4 previous system through the date before the member became a member of the current
 5 system;

6 (3) for a member of the Employees' Pension System, the member's service
 7 credit transferred from a retirement or pension system under Title 31, Subtitle 1 of this
 8 article; and

9 (4) for a member who has transferred between the Employees' Pension
 10 System and the Teachers' Pension System, the member's eligibility service under the
 11 previous system through the date before the member became a member of the current
 12 system if the member:

13 (i) is not subject to the noncontributory pension benefit in both the
 14 current and previous systems;

15 (ii) is subject to the contributory pension benefit in both the current
 16 and previous systems; [or]

17 (iii) is subject to the Alternate Contributory Pension Selection in both
 18 the current and previous systems; **OR**

19 **(IV) IS SUBJECT TO THE REFORMED CONTRIBUTORY PENSION**
 20 **BENEFIT IN BOTH THE CURRENT AND PREVIOUS SYSTEMS.**

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
 22 1, 2016.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.