

SENATE BILL 821

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CF HB 1397

By: **Senator Peters (Chair, Joint Committee on Pensions)**

Introduced and read first time: February 5, 2016

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: March 14, 2016

CHAPTER _____

1 AN ACT concerning

2 **Participating Governmental Units – Amortization Schedule**

3 FOR the purpose of altering the calculation of the accrued liability contributions required
4 to be paid by a participating governmental unit on account of members of the
5 Employees' Retirement System and Employees' Pension System who are employees
6 of a participating governmental unit; clarifying the application of a certain
7 amortization period to certain changes; and generally relating to the funding of the
8 State Retirement and Pension System.

9 BY repealing and reenacting, with amendments,
10 Article – State Personnel and Pensions
11 Section 21–305.2
12 Annotated Code of Maryland
13 (2015 Replacement Volume)

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

16 **Article – State Personnel and Pensions**

17 21–305.2.

18 (a) In this section, “employees’ systems” means the Employees’ Pension System
19 and the Employees’ Retirement System.

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 (b) As part of each actuarial valuation, the actuary shall determine the accrued
2 liability contributions on account of members of the employees' systems who are employees
3 of participating governmental units.

4 (c) [Beginning July 1, 2001, each] **EACH** year the Board of Trustees shall set
5 contribution rates for each State system that shall amortize:

6 (1) all unfunded liabilities or surpluses accrued as of June 30, [2000] **2016**,
7 over [20] **100** years;

8 **(2) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF**
9 **JUNE 30, 2017, OVER 40 YEARS;**

10 **(3) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF**
11 **JUNE 30, 2018, OVER 35 YEARS;**

12 **(4) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF**
13 **JUNE 30, 2019, OVER 30 YEARS;**

14 **(5) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF**
15 **JUNE 30, 2020, OVER 25 YEARS;**

16 **(6) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF**
17 **JUNE 30, 2021, OVER 22 YEARS;**

18 **(7) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF**
19 **JUNE 30, 2022, OVER 20 YEARS; and**

20 **[(2)] (8) BEGINNING JULY 1, 2023**, any new unfunded liabilities or
21 surpluses that have accrued from July 1 of the preceding fiscal year over [25 years] **THE**
22 **TIME REMAINING UNTIL JUNE 30, 2041**, to reflect:

23 (i) experience gains and losses;

24 (ii) the effect of changes in actuarial assumptions; and

25 (iii) the effect of legislation effective on or after July 1, [2001] **2023**.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
27 1, 2016.