

Article - State Personnel and Pensions

§23-405.

(a) When a member of the Employees' Retirement System or the Teachers' Retirement System transfers on or before December 31, 2004, to the Employees' Pension System or the Teachers' Pension System, the Board of Trustees shall allocate any amounts transferred from the Annuity Savings Fund as provided in subsections (b) and (c) of this section.

(b) (1) This subsection does not apply to a member's employer pickup contributions.

(2) A member who transfers to a pension system under subsection (a) of this section is eligible to receive within 90 days after the date of transfer a refund of the member contributions described in paragraph (3) of this subsection, plus interest computed as provided in paragraph (5) of this subsection, unless the member elects to have any part of the member contributions described in paragraph (3) of this subsection transferred as additional contributions to the annuity savings fund of the pension system to which the member is transferring.

(3) The amount to be refunded under this subsection is the amount obtained by multiplying the total of the member contributions attributed to that member by a fraction not exceeding 1, that has:

(i) as its numerator, the member's average taxable wage base for the 3 calendar years immediately preceding the calendar year of transfer; and

(ii) as its denominator, the average of the member's annual earnable compensation as of the end of the preceding 3 fiscal years.

(4) The Board of Trustees shall transfer for the member's benefit the balance, if any, of the member's contributions plus regular interest to the annuity savings fund of the pension system to which the member is transferring.

(5) (i) The interest rate to be applied to the member contributions under paragraph (2) of this subsection is the average rate of interest, compounded yearly, for the 5 fiscal years preceding the calendar year of transfer.

(ii) The rate of interest for each fiscal year that is used to compute the average rate of interest under subparagraph (i) of this paragraph equals the sum of the investment income and the realized gains and losses divided by the book value of the total investments.

(c) (1) If a member transfers to a pension system under subsection (a) of this section, the Board of Trustees shall transfer the member's employer pickup contributions for the member's benefit to the annuity savings fund of the pension system to which the member is transferring.

(2) The Board of Trustees shall transfer:

(i) as additional contributions, the part of a member's employer pickup contributions obtained by multiplying the member's total employer pickup contributions as of the date of transfer by the fraction specified in subsection (b)(3) of this section, plus interest computed as provided in paragraph (3) of this subsection; and

(ii) as member contributions, any balance of the member's employer pickup contributions plus regular interest.

(3) (i) The interest rate to be applied to the member contributions under paragraph (2) of this subsection is the average rate of interest, compounded yearly, for the 5 fiscal years preceding the calendar year of transfer.

(ii) The rate of interest for each fiscal year that is used to compute the average rate of interest under subparagraph (i) of this paragraph equals the sum of the investment income and the realized gains and losses divided by the book value of the total investments.

(d) On retirement or other withdrawal from service on the basis of which an allowance is payable, the member's additional contributions, including any employer pickup contributions transferred as additional contributions, with interest, shall be paid either in cash or as an additional allowance equal to an annuity that is the actuarial equivalent of that amount, in the same manner as the benefit otherwise payable under the Employees' Pension System or Teachers' Pension System.