

HOUSE BILL 304

K4

7lr1428
CF 7lr1430

By: **Delegate B. Barnes (Chair, Joint Committee on Pensions)**

Introduced and read first time: January 25, 2017

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Optional Retirement Program – Annuity Contracts – Employee Rights**

3 FOR the purpose of repealing a certain requirement that annuity contracts purchased
4 under the optional retirement program shall be issued to and become the property
5 of certain employees; clarifying that, in accordance with the Internal Revenue Code,
6 the rights of certain employees who purchase annuity contracts under the program
7 are not subject to forfeit; and generally relating to the rights of employees to annuity
8 contracts purchased under the optional retirement program.

9 BY repealing and reenacting, without amendments,
10 Article – State Personnel and Pensions
11 Section 30–101(a), (b), (d), (f), and (h)
12 Annotated Code of Maryland
13 (2015 Replacement Volume and 2016 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – State Personnel and Pensions
16 Section 30–206
17 Annotated Code of Maryland
18 (2015 Replacement Volume and 2016 Supplement)

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

21 **Article – State Personnel and Pensions**

22 30–101.

23 (a) In this title the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) (1) "Annuity contract" means a fixed or variable annuity contract or
2 combination of fixed or variable annuity contracts authorized under § 403(a) or (b) of the
3 Internal Revenue Code.

4 (2) "Annuity contract" includes a custodial account to be invested in
5 regulated investment company stock as provided in § 401(f) or § 403(b)(7) of the Internal
6 Revenue Code.

7 (d) "Eligible employee" means an individual eligible to participate in the program.

8 (f) "Participating employee" means an eligible employee who elects to participate
9 in the program.

10 (h) "Program" means the optional retirement program established under §
11 30-201 of this title.

12 30-206.

13 [Annuity] **IN ACCORDANCE WITH THE INTERNAL REVENUE CODE, THE RIGHTS**
14 **OF PARTICIPATING EMPLOYEES TO ANNUITY** contracts purchased under the program
15 [shall be issued to and become the property of the participating employees] **ARE NOT**
16 **SUBJECT TO FORFEIT.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
18 1, 2017.