HOUSE BILL 1178

By: **Delegates Ghrist, Krebs, and McKay**
Introduced and read first time: February 9, 2017
Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 10, 2017

CHAPTER _____

1   AN ACT concerning

2   **Employees' Pension System – ~~Incorrect Enrollments~~ <u>Membership – Study</u>**

3   FOR the purpose of requiring ~~that, if after a certain requested review by the Board of~~
4   ~~Trustees for the State Retirement and Pension System, an individual is determined~~
5   ~~by the Board of Trustees to be incorrectly enrolled as a member of the Employees'~~
6   ~~Pension System, the individual shall be disenrolled; requiring the Board of Trustees,~~
7   ~~at the request of an incorrectly enrolled individual, to pay the individual certain~~
8   ~~contributions in accordance with certain provisions of law; requiring the Board of~~
9   ~~Trustees, at the request of the participating employer of an incorrectly enrolled~~
10   ~~individual, to determine the amount of contributions that the employer paid on~~
11   ~~behalf of the individual; providing that the Board of Trustees may make a certain~~
12   ~~adjustment to the employer's contributions; providing for the termination of this Act;~~
13   ~~and generally relating to incorrect enrollments~~ <u>the State Retirement Agency and the</u>
14   <u>Department of Legislative Services to conduct a certain study regarding membership</u>
15   <u>in the Employees' Pension System for certain individuals who are employed in</u>
16   <u>positions for which the budgeted hours are less than a certain number of hours per</u>
17   <u>fiscal year; requiring the study to include certain elements; requiring the State</u>
18   <u>Retirement Agency and the Department of Legislative Services to report their</u>
19   <u>findings and recommendations to the Joint Committee on Pensions on or before a</u>
20   <u>certain date; providing for the termination of this Act; and generally relating to a</u>
21   <u>study regarding the membership of certain individuals</u> in the Employees' Pension
22   System.

23   SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
24 That:

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
   [Brackets] indicate matter deleted from existing law.
   <u>Underlining</u> indicates amendments to bill.
   ~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by
   amendment.

1   (a)   ~~This section applies only to an individual who:~~

2   (1)   ~~requests the Board of Trustees for the State Retirement and Pension~~
3   ~~System to review the individual's status as a member of the Employees' Pension System;~~
4   ~~and~~

5   (2)   ~~the Board of Trustees determines, in accordance with § 23–205 of the~~
6   ~~State Personnel and Pensions Article, has been incorrectly enrolled as a member of the~~
7   ~~Employees' Pension System.~~

8   (b)   ~~An incorrectly enrolled individual shall be disenrolled as soon as practicable~~
9   ~~after the determination of incorrect enrollment is made by the Board of Trustees.~~

10   (c)   (1)   ~~At the request of an incorrectly enrolled individual, the Board of~~
11   ~~Trustees shall pay the individual the amount of the individual's accumulated contributions~~
12   ~~in accordance with § 29–501 of the State Personnel and Pensions Article.~~

13   (2)   ~~For purposes of administering § 29–501 of the State Personnel and~~
14   ~~Pensions Article, an incorrectly enrolled individual shall be considered to be a member or~~
15   ~~former member.~~

16   (d)   (1)   ~~This subsection does not apply to a participating employer that is a unit~~
17   ~~of State government.~~

18   (2)   ~~At the request of the participating employer of an incorrectly enrolled~~
19   ~~individual, the Board of Trustees shall determine the amount of employer contributions~~
20   ~~that the participating employer paid on behalf of the incorrectly enrolled individual.~~

21   (3)   ~~At the request of the participating employer of an incorrectly enrolled~~
22   ~~individual, the Board of Trustees may adjust the employer contribution amounts that the~~
23   ~~participating employer is required to pay for the following fiscal year to compensate the~~
24   ~~employer for employer contributions paid on behalf of an incorrectly enrolled individual.~~

25   (a)   The State Retirement Agency and the Department of Legislative Services
26   shall:

27   (1)   conduct a study regarding membership in the Employees' Pension
28   System for individuals who are employed in a position for which the budgeted hours per
29   fiscal year are less than 500 hours, including:

30   (i)   the individuals who are required to join the Employees' Pension
31   System under current law as a condition of employment;

32   (ii)   the individuals who have optional membership in the Employees'
33   Pension System under current law; and

1   (iii)   the impact of Chapter 182 of the Acts of 2015 on the enrollment
2 of individuals in the Employees' Pension System; and

3   (2)   make recommendations regarding suggested statutory changes, if
4 necessary, relating to membership in the Employees' Pension System for individuals who
5 are employed in a position for which the budgeted hours per fiscal year are less than 500
6 hours.

7   (b)   On or before December 1, 2017, the State Retirement Agency and the
8 Department of Legislative Services shall report their findings and recommendations to the
9 Joint Committee on Pensions.

10   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
11 1, 2017. It shall remain effective for a period of 1 year ~~and 6 months~~ and, at the end of
12 ~~December 31~~ June 30, 2018, with no further action required by the General Assembly, this
13 Act shall be abrogated and of no further force and effect.

Approved:

_____

Governor.

_____

Speaker of the House of Delegates.

_____

President of the Senate.