

SENATE BILL 399

K4

7lr1422
CF HB 817

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

Introduced and read first time: January 27, 2017

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: February 21, 2017

CHAPTER _____

1 AN ACT concerning

2 **Employees' Pension System – Purchase of Credit for Eligibility Service –**
3 **Legislative Employees**

4 FOR the purpose of altering the amount that a member of the Employees' Pension System
5 must pay to the Board of Trustees of the State Retirement and Pension System to
6 purchase credit for eligibility service for a certain period of legislative employment;
7 and generally relating to the purchase of credit for eligibility service for a member of
8 the Employees' Pension System.

9 BY repealing and reenacting, with amendments,
10 Article – State Personnel and Pensions
11 Section 23–307(d)
12 Annotated Code of Maryland
13 (2015 Replacement Volume and 2016 Supplement)

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 23–307.

18 (d) (1) A member of the Employees' Pension System who is employed by a
19 member of the State Senate or House of Delegates for at least 130 days per year as 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.



1 legislative employee before becoming a member is considered to have been a permanent
2 part-time legislative employee.

3 (2) A member described in paragraph (1) of this subsection may purchase
4 credit for eligibility service for that period of legislative employment by paying to the Board
5 of Trustees:

6 (i) for a period of employment on or before December 31, 1979, the
7 sum of:

8 1. the amount that the member would have been required to
9 contribute for that period of employment; and

10 2. **5% REGULAR** interest on the member's contributions,
11 compounded annually; and

12 (ii) for a period of employment on or after January 1, 1980, the sum
13 of:

14 1. **ONE-HALF OF** the amount that the member would have
15 been required to contribute for that period of employment;

16 2. **ONE-HALF OF** the amount that the State would have been
17 required to contribute for the member for that period of employment; and

18 3. **5% REGULAR** interest on the member's and State's
19 contributions, compounded annually.

20 [(3) The rate of interest to be paid under this subsection is the average for
21 the 5 years preceding the year of payment of the yearly rate of interest computed as the
22 sum of the investment income and the realized gains and losses divided by the book value
23 of the total investments.]

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
25 1, 2017.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.