

SENATE BILL 845

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By: **Senator Mathias**

Introduced and read first time: February 3, 2017

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Employees' Pension System – Optional Membership – Concurrent Membership**
3 **Prohibition**

4 FOR the purpose of providing that certain membership in the Employees' Pension System
5 shall terminate for certain individuals as of a certain date; providing that certain
6 individuals may receive a return of employee contributions under certain
7 circumstances; clarifying that a certain individual shall remain a member of the
8 Employees' Pension System with respect to certain employment; clarifying that
9 certain individuals may retire from the Employees' Pension System from certain
10 employment, if eligible; and generally relating to membership in the Employees'
11 Pension System.

12 BY repealing and reenacting, without amendments,
13 Article – State Personnel and Pensions
14 Section 23–204
15 Annotated Code of Maryland
16 (2015 Replacement Volume and 2016 Supplement)

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

19 **Article – State Personnel and Pensions**

20 23–204.

21 (a) (1) Membership in the Employees' Pension System is optional for an
22 individual who is:

23 (i) an official, elected or appointed for a fixed term;

24 (ii) an employee of the Governor's office;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (iii) an employee of the Senate or House of Delegates;

2 (iv) a member of the Prince George's County Board of License
3 Commissioners;

4 (v) an employee of Dorchester County who is not a member of the
5 county's general pension and retirement program; or

6 (vi) except as provided in subsection (g) of this section, an employee
7 of a participating governmental unit who is employed by the participating governmental
8 unit before the effective date of participation and who remains an employee of the
9 participating governmental unit through the effective date of participation.

10 (2) An individual described under paragraph (1)(i) through (v) of this
11 subsection who elects to join the Employees' Pension System shall make the election at
12 commencement of employment by filing a written application with the Board of Trustees
13 on a form that the Board of Trustees provides.

14 (3) An individual described under paragraph (1)(vi) of this subsection who
15 elects to join the Employees' Pension System shall make the election prior to the effective
16 date of participation by filing a written application with the Board of Trustees on a form
17 that the Board of Trustees provides.

18 (4) An election to join the Employees' Pension System under this
19 subsection is a one-time, irrevocable election.

20 (5) If an election to join the Employees' Pension System is not received by
21 the Board of Trustees within the period of time described in paragraph (2) or (3) of this
22 subsection, the individual may not elect to join the Employees' Pension System while
23 employed in that position.

24 (6) The Board of Trustees shall adopt regulations to implement this
25 subsection.

26 (b) (1) Membership in the Employees' Pension System is not optional for
27 individuals who are:

28 (i) supportive service employees of the Board of Education of Kent
29 County;

30 (ii) employees of the Town of Oakland;

31 (iii) employees of the City of Frostburg;

32 (iv) employees of the Town of Sykesville; or

1 (v) employees of the Town of University Park.

2 (2) Membership in the Employees' Pension System is not optional for an
3 individual who was employed in a position on or before June 30, 2015, that required the
4 individual to be a member of the Employees' Pension System, while the individual remains
5 in that position.

6 (c) (1) Subject to paragraph (2) of this subsection, membership in the
7 Employees' Pension System is optional for an individual described in § 23-201(a)(2)(iv) of
8 this subtitle who is elected or appointed as the Baltimore City Sheriff.

9 (2) An individual who is elected or appointed as the Baltimore City Sheriff
10 and who does not elect to join the Employees' Pension System is a member of the Law
11 Enforcement Officers' Pension System under Title 26 of this article as a condition of
12 employment.

13 (3) To elect to be a member of the Employees' Pension System under this
14 subsection, an individual shall make the election at commencement of employment by filing
15 a written application with the Board of Trustees on a form that the Board of Trustees
16 provides.

17 (4) An individual who does not elect membership within 6 months of the
18 date the individual begins serving as the Baltimore City Sheriff shall become a member of
19 the Law Enforcement Officers' Pension System.

20 (d) (1) This subsection applies to an individual described in § 23-201(a)(2)(iv)
21 of this subtitle who elects membership in the Employees' Pension System under this
22 section.

23 (2) An individual described in paragraph (1) of this subsection may elect
24 membership in the Law Enforcement Officers' Pension System if the county employing the
25 individual elects to become an eligible governmental unit in the Law Enforcement Officers'
26 Pension System in accordance with §§ 31-2A-02 through 31-2A-05 of this article.

27 (3) If an individual transfers to the Law Enforcement Officers' Pension
28 System under this subsection, the eligible governmental unit is responsible for all employer
29 contributions required for the individual under § 21-306.1 of this article.

30 (e) (1) This subsection applies only to an individual who is an employee of the
31 Town of Berwyn Heights on June 30, 2008.

32 (2) Subject to paragraph (3) of this subsection, membership in the
33 Employees' Pension System is optional for an individual described in paragraph (1) of this
34 subsection who elects membership on July 1, 2008.

1 (3) To elect to be a member of the Employees' Pension System, an
2 individual shall file a written application with the Board of Trustees on a form that the
3 Board of Trustees provides.

4 (f) (1) This subsection applies only to an individual who is an employee of the
5 City of College Park on June 30, 2014.

6 (2) Subject to paragraph (3) of this subsection, membership in the
7 Employees' Pension System is optional for an individual described in paragraph (1) of this
8 subsection who elects membership on July 1, 2014.

9 (3) To elect to be a member of the Employees' Pension System, an
10 individual shall file a written application with the Board of Trustees on a form that the
11 Board of Trustees provides.

12 (g) (1) This subsection applies to an individual who is employed by Prince
13 George's County as:

14 (i) the Chief Administrative Officer;

15 (ii) a Deputy Chief Administrative Officer;

16 (iii) a director of a county office or department;

17 (iv) a County Council Administrator;

18 (v) a Deputy Director of a county office or department; or

19 (vi) an Executive Director.

20 (2) (i) Membership in the Employees' Pension System is optional for an
21 individual who begins serving in a position listed in paragraph (1) of this subsection on or
22 after July 1, 2014.

23 (ii) An individual described under subparagraph (i) of this
24 paragraph who elects to join the Employees' Pension System shall make the election at
25 commencement of employment by filing a written application with the Board of Trustees
26 on a form that the Board of Trustees provides.

27 (3) Membership in the Employees' Pension System is mandatory for:

28 (i) an individual who:

29 1. is employed in one of the positions listed under paragraph
30 (1) of this subsection on or before June 30, 2014; and

1 2. is enrolled as a member of the Employees' Pension System;
2 or

3 (ii) an individual described under paragraph (2)(i) of this subsection
4 who elected to join the Employees' Pension System under paragraph (2)(ii) of this
5 subsection.

6 (4) Membership in the Employees' Pension System is prohibited for an
7 individual who:

8 (i) begins serving in a position listed in paragraph (1) of this
9 subsection on or after July 1, 2004, but before July 1, 2014;

10 (ii) remains in a position listed in paragraph (1) of this subsection on
11 or after July 1, 2014; and

12 (iii) is not enrolled in the Employees' Pension System.

13 (5) (i) An individual's election under paragraph (2)(ii) of this subsection
14 to join the Employees' Pension System or an individual's failure to elect to join the
15 Employees' Pension System within the required time period is a one-time, irrevocable
16 decision.

17 (ii) An individual employed in one of the positions listed under
18 paragraph (1) of this subsection who does not elect to join the Employees' Pension System
19 under paragraph (2)(ii) of this subsection may not join the Employees' Pension System
20 while employed in one of the positions listed under paragraph (1) of this subsection.

21 (iii) An individual described under paragraph (4) of this subsection
22 or subparagraph (ii) of this paragraph who changes employment to a different position
23 under paragraph (1) of this subsection, whether or not a break in employment occurs, may
24 not elect to join the Employees' Pension System.

25 (6) The Board of Trustees shall adopt regulations to implement this
26 section.

27 SECTION 2. AND BE IT FURTHER ENACTED, That, as of the effective date of this
28 Act, an individual who has two active membership accounts in the Employees' Pension
29 System:

30 (1) shall cease to be a member in the Employees' Pension System with
31 respect to membership established in accordance with § 23–204 of the State Personnel and
32 Pensions Article as an elected official, if the individual was serving in the elected position
33 on June 30, 2015;

34 (2) shall be disenrolled from the Employees' Pension System with respect
35 to membership established in accordance with § 23–204 of the State Personnel and

1 Pensions Article as an elected official, if the individual was serving in the elected position
2 on June 30, 2015;

3 (3) may receive a return of employee contributions with respect to
4 membership established in accordance with § 23–204 of the State Personnel and Pensions
5 Article as an elected official, as provided under the State Personnel and Pensions Article;

6 (4) shall remain a member of the Employees' Pension System with respect
7 to employment that requires membership in the Employees' Pension System other than in
8 accordance with § 23–204 of the State Personnel and Pensions Article; and

9 (5) may retire from the Employees' Pension System from employment that
10 requires membership in the Employees' Pension System other than in accordance with §
11 23–204 of the State Personnel and Pensions Article, if the individual meets the eligibility
12 requirements for retirement under the State Personnel and Pensions Article.

13 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
14 1, 2017.