

Chapter 276

(House Bill 328)

AN ACT concerning

Optional Retirement Program – Annuity Contract Providers

FOR the purpose of repealing a default inclusion as an optional retirement program annuity contract provider of a company designated by a governing board of an employing institution on or before a certain date; ~~repealing a requirement that a designated company provide certain information regarding compensation of certain employees of the company;~~ altering a certain definition; and generally relating to companies designated to offer annuity contracts in the optional retirement program.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 30–101(c), ~~30–202, and 30–211~~ and 30–202
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, without amendments,
Article – State Personnel and Pensions
Section 30–211
Annotated Code of Maryland
(2015 Replacement Volume and 2016 Supplement)

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

Article – State Personnel and Pensions

30–101.

(c) “Designated company” means an entity that[:

(1) on or before March 1, 1993, was designated by the governing board of an employing institution to offer annuity contracts under the program; or

(2)] is designated by the Board of Trustees.

30–202.

(a) The Board of Trustees may designate not more than [four companies, in addition to the company that was designated by a governing board of an employing

institution on or before March 1, 1993,] **FIVE COMPANIES** from which annuity contracts are to be purchased under the program.

(b) [(1)] The Board of Trustees shall approve the form and contents of annuity contracts to be offered by a company that is designated by the Board of Trustees under subsection (a) of this section.

[(2) The Board of Trustees may also approve the form and contents of additional types of annuity contracts to be offered for the first time after October 1, 1993, by the company designated by the governing board of an employing institution on or before March 1, 1993.]

(c) In making the designation and giving approval under this section, the Board of Trustees shall consider:

(1) the nature and extent of the rights and benefits to be provided by the annuity contracts for participating employees and their beneficiaries;

(2) the relation of those rights and benefits to the amount of contributions to be made;

(3) the suitability of the rights and benefits to the needs of the participating employees and the interests of the employing institutions in the recruitment and retention of participating employees;

(4) the ability of the company to provide for suitable rights and benefits under the annuity contracts;

(5) the selection of annuity contracts offered by the company;

(6) the financial stability of the company and whether the company meets minimum financial criteria, if any, including a minimum net worth requirement, if any, established by the Board of Trustees; and

(7) the effect of any fees, commissions, or other charges imposed or collected in connection with an annuity contract.

30-211.

(a) Before enrolling a participating employee, each designated company shall provide to eligible employees, the Board of Trustees, and the employing institutions any information requested, including ~~¶~~a full disclosure of the entire compensation provided to the senior executives of the designated company, and any~~¶~~ information ~~¶~~requested~~¶~~ regarding the designated company or the annuity contracts offered by the designated company.

(b) Each designated company shall provide and pay for all administrative, informational, and counseling services with respect to the annuity contracts offered by the designated company.

(c) Each designated company shall cooperate with the employing institution in connection with any concerns that relate to enrollment, termination, or retirement of a participating employee.

(d) Each designated company shall disclose to the Board of Trustees all fees, commissions, or other charges the designated company imposes or collects with respect to an annuity contract.

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

Approved by the Governor, April 18, 2017.