

SENATE BILL 784

K4

8lr1666
CF HB 1018

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

Introduced and read first time: February 5, 2018

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: March 15, 2018

CHAPTER _____

1 AN ACT concerning

2 **Pensions – Administrative and Operational Expenses – Limitation and**
3 **Calculation**

4 FOR the purpose of increasing the administrative and operational expense cap of the Board
5 of Trustees for the State Retirement and Pension System and the State Retirement
6 Agency in certain fiscal years under certain circumstances; altering the basis for the
7 calculation of the administrative and operational expense cap; providing for the
8 application of this Act; making certain sections of this Act contingent on the taking
9 effect of another Act; and generally relating to the administrative and operational
10 expense cap for the Board of Trustees and the Agency.

11 BY repealing and reenacting, with amendments,
12 Article – State Personnel and Pensions
13 Section 21–315(c)
14 Annotated Code of Maryland
15 (2015 Replacement Volume and 2017 Supplement)

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

18 **Article – State Personnel and Pensions**

19 21–315.

20 (c) (1) [Each] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**

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 **SUBSECTION, EACH** year the Board of Trustees shall estimate the amount, not exceeding
2 0.22% of [the payroll of members] **ACTIVE MEMBER PAYROLL, RETIREE BENEFITS, AND**
3 **FORMER MEMBER COMPENSATION**, necessary for the administrative and operational
4 expenses of the Board of Trustees and the State Retirement Agency.

5 **(2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, FOR**
6 **FISCAL YEARS 2019 THROUGH 2022, THE BOARD OF TRUSTEES' ESTIMATE OF THE**
7 **AMOUNT NECESSARY FOR THE ADMINISTRATIVE AND OPERATIONAL EXPENSES OF**
8 **THE BOARD OF TRUSTEES AND THE STATE RETIREMENT AGENCY MAY NOT EXCEED**
9 **0.26% OF ACTIVE MEMBER PAYROLL, RETIREE BENEFITS, AND FORMER MEMBER**
10 **COMPENSATION.**

11 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
12 as follows:

13 **Article – State Personnel and Pensions**

14 21–315.

15 (c) Each year the Board of Trustees shall estimate the amount, not exceeding
16 0.22% of [the payroll of members] **ACTIVE MEMBER PAYROLL, RETIREE BENEFITS, AND**
17 **FORMER MEMBER COMPENSATION**, necessary for the administrative and operational
18 expenses of the Board of Trustees and the State Retirement Agency.

19 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
20 effect July 1, 2018, contingent on the taking effect of Chapter ___ (S.B. ___/H.B.
21 ___)(8lr1668/8lr1669) of the Acts of the General Assembly of 2018, and if Chapter ___ (S.B.
22 ___ / H.B. ___)(8lr1668/8lr1669) does not take effect, Section 2 of this Act, with no further
23 action required by the General Assembly, shall be null and void.

24 SECTION 4. AND BE IT FURTHER ENACTED, That if Section 2 of this Act takes
25 effect, Section 1 of this Act shall be null and void without the necessity of further action by
26 the General Assembly.

27 SECTION 5. AND BE IT FURTHER ENACTED, That, subject to the provisions of
28 Sections 3 and 4 of this Act, this Act shall take effect July 1, 2018.