

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	06/24/2015	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 8/7/2015

2. COMAR Codification

Title Subtitle Chapter Regulation

22 01 03 03

3. Name of Promulgating Authority

State Retirement and Pension System

4. Name of Regulations Coordinator

Anne Gawthrop

Telephone Number

410-625-5602

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120 East Baltimore Street

City State Zip Code

Baltimore MD 21202

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agawthrop@sra.state.md.us

5. Name of Person to Call About this Document

Anne E. Gawthrop

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410-625-5602

Email Address

agawthrop@sra.state.md.us

6. Check applicable items:

- New Regulations
 - Amendments to Existing Regulations
 - Date when existing text was downloaded from COMAR online: January 4, 2015.
 - Repeal of Existing Regulations
 - Recodification
 - Incorporation by Reference of Documents Requiring DSD Approval
 - Reproposal of Substantively Different Text:
 - : Md. R
 - (vol.) (issue) (page nos) (date)
- Under Maryland Register docket no.: --P.

7. Is there emergency text which is identical to this proposal:

- Yes No

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

- OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.
- OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Rachel Cohen, Assistant Attorney General, (telephone #410-625-5684) on 4/1/15. A written copy of the approval is on file at this agency.

Name of Authorized Officer

R. Dean Kenderdine

Title

Executive Director

Telephone No.

410-625-5600

Date

6/24/15

Title 22
STATE RETIREMENT AND PENSION SYSTEM

Subtitle 01 GENERAL REGULATIONS

22.01.03 Domestic Relations Orders

Authority: State Personnel and Pensions, §§ 21-110, 21-502, and 21-603, Annotated
Code of Maryland

Notice of Proposed Action

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The Board of Trustees for the State Retirement and Pension System proposes to adopt amendments to Regulation .03 under COMAR 22.01.03 Domestic Relations Orders.

This action was considered by the Board of Trustees for the State Retirement and Pension System at an open meeting held on June 16, 2015, notice of which was given by publication on the website for the Maryland State Retirement and Pension System pursuant to § 10-506(c) of the State Government Article of the Maryland Annotated Code.

Statement of Purpose

The purpose of this action is to amend the regulation establishing the requirements for an eligible domestic relations order which assigns all or a portion of a plan benefit to the former spouse of a participant in a divorce. This amendment clarifies that distributions paid to an alternate payee are includable in the taxable income of and taxable to the alternate payee in accordance with the provisions of the Internal Revenue Code, applicable Treasury regulations or other guidance.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Anne E. Gawthrop, Director of Legislative Affairs, Maryland State Retirement Agency, 120 East Baltimore Street, Baltimore, Maryland 21202, or

call 410-625-5602, or email to agawthrop@sra.state.md.us, or fax to 410-468-1710. Comments will be accepted through September 21, 2015. A public hearing has not been scheduled.

Open Meeting

Final action on the proposal will be considered by the Board of Trustees for the State Retirement and Pension System during a public meeting to be held on October 20, 2015, at 120 East Baltimore Street, 16th Floor, Baltimore, Maryland 21202.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2016

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

No

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

No funds are necessary to implement these regulations.

E. If these regulations have no economic impact under Part A, indicate reason briefly:

These regulations have no economic impact because the changes are clarifying only.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

G. Small Business Worksheet:

Attached Document:

Title 22 STATE RETIREMENT AND PENSION SYSTEM

Subtitle 01 GENERAL REGULATIONS

Chapter 03 Domestic Relations Orders

Authority: State Personnel and Pensions Article §§21-110, 21-502, and 21-603, Annotated Code of Maryland

.03 Eligible Domestic Relations Orders.

A. (Text unchanged)

B. A domestic relations order shall constitute an eligible domestic relations order only if it satisfies all of the following requirements:

(1) – (16) (Text unchanged)

(17) States that:

(a) All payments to the alternate payee shall be includable in the taxable income of and taxable to the alternate payee [in the same proportion as payments to the participant are includable in the taxable income of and taxable to the participant] *in accordance with the applicable provisions of the Internal Revenue Code, Treasury regulations and other guidance*; and

(b) (Text unchanged)

(18) (Text unchanged)

C. – F. (Text unchanged)