
By: Delegate Proctor (Chairman, Joint Committee on Pensions)

Introduced and read first time: January 29, 1996

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Optional Retirement Program - Contributions**

3 FOR the purpose of repealing provisions of law that provide for employee contributions
4 to be made under the Optional Retirement Program; requiring certain employing
5 institutions that authorize certain employees to participate in a supplemental
6 retirement account to designate the companies that may offer the supplement
7 retirement accounts and to administer the participation in the supplemental
8 retirement account; and generally relating to contributions made on behalf of an
9 employee participating in the Optional Retirement Program or a supplemental
10 retirement account.

11 BY repealing and reenacting, with amendments,
12 Article - State Personnel and Pensions
13 Section 30-205 and 30-210
14 Annotated Code of Maryland
15 (1994 Volume and 1995 Supplement)

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

18 **Article - State Personnel and Pensions**

19 30-205.

20 (a) Under the program, the State and the participating employees shall
21 contribute, to the extent [authorized or] required, toward the purchase of annuity
22 contracts.

23 (b) [(1) For employee contributions, a participating employee may elect to make
24 contributions to no more than one designated company under the program for the same
25 payroll period.

26 (2) For employer contributions, a) A participating employee may elect to
27 make contributions to no more than two designated companies under the program for the
28 same payroll period, if the Board of Trustees determines that the election of more than
29 one designated company is administratively feasible.

2

1 (c) (1) On behalf of each participating employee, the State shall contribute
2 7.25% of the participating employee's annual earnable compensation.

3 (2) If a participating employee's compensation is paid from special or
4 federal funds or both, the State's contribution to the program shall be paid from those
5 funds.

6 (d) [Contributions authorized or required by this section on behalf of each
7 participating employee may be made by payroll deduction or by a reduction in salary in
8 accordance with § 403(b) or § 414(h) of the Internal Revenue Code.

9 (e) The Central Payroll Bureau shall pay contributions to the appropriate
10 designated company for the benefit of each participating employee.

11 30-210.

12 (A) With respect to a participating employee who is employed by an employing
13 institution or an institution over which the employing institution has administrative
14 authority, the employing institution shall administer the participating employee's
15 enrollment, termination, or retirement UNDER THE PROGRAM.

16 (B) IF AN EMPLOYING INSTITUTION AUTHORIZES ITS EMPLOYEES OR THE
17 EMPLOYEES OF AN INSTITUTION OVER WHICH IT HAS ADMINISTRATIVE AUTHORITY
18 TO PARTICIPATE IN A SUPPLEMENTAL RETIREMENT ACCOUNT, THE EMPLOYING
19 INSTITUTION SHALL DESIGNATE THE COMPANIES THAT MAY OFFER SUPPLEMENTAL
20 RETIREMENT ACCOUNTS TO THOSE EMPLOYEES AND SHALL ADMINISTER THE
21 PARTICIPATION OF THOSE EMPLOYEES IN THE SUPPLEMENTAL RETIREMENT
22 ACCOUNT.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 1996.