
By: Delegates Rawlings and Taylor

Introduced and read first time: February 2, 1996

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Workforce Reduction Act**

3 FOR the purpose of providing for a plan of severance incentives to be offered only during
4 a certain period; requiring the Governor to eliminate a certain number of positions
5 in a certain fiscal year; requiring the Governor, in consultation with the Secretary of
6 Budget and Fiscal Planning, to direct certain units in the ExecutiveBranch of State
7 government to develop a proposal for reorganization and to specify the number of
8 positions to be eliminated in each of those units; requiring the heads of certain units
9 to develop certain proposals for reorganization and to follow certain procedures
10 with respect to those proposals; providing that the plan for the package of severance
11 incentives is not subject to certain provisions of law pertaining to layoffs; providing
12 for the procedures to be followed with respect to the plan, the eligibility under the
13 plan, and the benefits, rights, and obligations under the plan; providing that certain
14 budgeted positions be eliminated in a certain manner; requiring the Department of
15 Budget and Fiscal Planning to provide certain training and information; providing
16 for the option of early retirement for certain eligible employees as an option instead
17 of other benefits under the plan; requiring repayment of certain benefits on the
18 reemployment of a participant in the plan by the State within a certain number of
19 years; prohibiting a participant in the plan from receiving certain unemployment
20 compensation benefits; authorizing the Board of Trustees of the State Retirement
21 and Pension System to adopt certain regulations; providing for the payment and
22 funding of certain costs of the plan; prohibiting a member of a State retirement and
23 pension system from receiving a retirement allowance that exceeds a certain
24 amount; requiring certain reports; allowing the State Retirement Agency to take a
25 certain number of additional days to process certain retirement applications without
26 affecting the applicant's right to a benefit; providing for the effective date; defining
27 certain terms; and generally relating to a plan of severance incentives for State
28 employees and a reduction in the State workforce.

29 BY adding to

30 Article - State Personnel and Pensions
31 Section 9-701 through 9-712, inclusive, to be under the new subtitle "Subtitle 7.
32 Workforce Reduction Act"; 20-207 and 21-304(d)(4)
33 Annotated Code of Maryland
34 (1994 Volume and 1995 Supplement)

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1 BY repealing and reenacting, with amendments,
2 Article - State Personnel and Pensions
3 Section 21-304(d)(3)
4 Annotated Code of Maryland
5 (1994 Volume and 1995 Supplement)

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

8 **Article - State Personnel and Pensions**

9 SUBTITLE 7. WORKFORCE REDUCTION ACT.

10 9-701.

11 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
12 INDICATED.

13 (B) "ELIGIBLE EMPLOYEES" MEANS THE EMPLOYEES DESCRIBED IN § 9-706 OF
14 THIS SUBTITLE.

15 (C) "PLAN" MEANS THE PLAN OF SEVERANCE INCENTIVES DESCRIBED
16 UNDER § 9-706 OF THIS SUBTITLE.

17 (D) "UNIT" MEANS A PRINCIPAL DEPARTMENT OR OTHER INDEPENDENT
18 UNIT IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

19 9-702.

20 IT IS THE INTENT OF THE GENERAL ASSEMBLY TO PROVIDE FOR A LONG-TERM
21 REDUCTION IN THE STATE'S WORKFORCE NOT ONLY THROUGH THE TRADITIONAL
22 MEANS OF REORGANIZATION OF UNITS OF STATE GOVERNMENT, HIRING FREEZES,
23 BUDGET REDUCTION, AND LAYOFFS, BUT THROUGH A PACKAGE OF SEVERANCE
24 INCENTIVES TO PROVIDE FOR AN ORDERLY DOWNSIZING OF STATE GOVERNMENT
25 AND TO ENCOURAGE VOLUNTARY SEPARATION FROM EMPLOYMENT BY ELIGIBLE
26 EMPLOYEES IN STATE GOVERNMENT.

27 9-703.

28 FROM THE NUMBER OF POSITIONS IN THE EXECUTIVE BRANCH OF STATE
29 GOVERNMENT THAT ARE AUTHORIZED IN THE STATE BUDGET FOR FISCAL YEAR
30 1997, THE GOVERNOR SHALL ELIMINATE 1,500 POSITIONS IN FISCAL YEAR 1997, AS
31 PROVIDED IN THIS SUBTITLE.

32 9-704.

33 (A) ON JUNE 1, 1996, THE GOVERNOR, IN CONSULTATION WITH THE
34 SECRETARY OF BUDGET AND FISCAL PLANNING, SHALL :

35 (1) DIRECT EACH UNIT THAT EMPLOYS ELIGIBLE EMPLOYEES TO
36 DEVELOP A PROPOSAL FOR REORGANIZATION THAT WILL ACCOMPLISH A
37 REDUCTION OF A SPECIFIED NUMBER OF POSITIONS IN FISCAL YEAR 1997; AND

3

1 (2) SPECIFY THE NUMBER OF POSITIONS THAT EACH UNIT IS TO
2 ELIMINATE FOR FISCAL YEAR 1997 IN A MANNER THAT WILL ACCOMPLISH THE
3 ELIMINATION OF THE TOTAL NUMBER OF POSITIONS TO BE ELIMINATED UNDER §
4 9-703 OF THIS SUBTITLE.

5 9-705.

6 (A) THE HEAD OF EACH UNIT THAT RECEIVES DIRECTION TO DEVELOP A
7 PROPOSAL FOR REORGANIZATION SHALL SUBMIT A COPY OF THE PROPOSAL TO
8 THE GOVERNOR ON OR BEFORE JULY 15, 1996.

9 (B) EACH PROPOSAL FOR REORGANIZATION SHALL SPECIFY:

10 (1) ANY PROPOSED CHANGES IN ORGANIZATIONAL STRUCTURE;

11 (2) THE SUBUNITS, TYPES OF POSITIONS, OR ACTUAL POSITIONS THAT
12 ARE TARGETED FOR REDUCTION UNDER THE PROPOSAL; AND

13 (3) ANY SUBUNITS, TYPES OF POSITIONS, OR ACTUAL POSITIONS THAT
14 ARE NOT TARGETED FOR REDUCTION UNDER THE PROPOSAL.

15 (C) ON OR BEFORE AUGUST 15, 1996, THE HEAD OF EACH UNIT SHALL GIVE A
16 COPY OF THE PROPOSAL FOR REORGANIZATION TO EACH OF ITS SUBORDINATE
17 APPOINTING AUTHORITIES AND TO THE BUDGET COMMITTEES OF THE GENERAL
18 ASSEMBLY.

19 (D) ON OR BEFORE SEPTEMBER 1, 1996, EACH HEAD OF A UNIT SHALL INFORM
20 THE EMPLOYEES IN THAT UNIT OF THE PROPOSAL FOR REORGANIZATION FOR
21 THAT UNIT AND SHALL DISTRIBUTE INFORMATION ON THE PROPOSAL, INCLUDING:

22 (1) INFORMATION ON POSITIONS THAT ARE TARGETED AND POSITIONS
23 THAT ARE NOT TARGETED;

24 (2) THE DEADLINES FOR THE PLAN AS PROVIDED IN THIS SUBTITLE;

25 (3) INFORMATION ON THE CRITERIA TO BE USED TO ACCEPT OR
26 REJECT APPLICATIONS UNDER THE PLAN;

27 (4) INFORMATION ON LAYOFF PROCEDURES OR OTHER METHODS FOR
28 TERMINATION OF POSITIONS IF NECESSARY AS PROVIDED IN § 9-712 OF THIS
29 SUBTITLE; AND

30 (5) ANY OTHER RELEVANT INFORMATION PROVIDED BY THE
31 DEPARTMENT OF BUDGET AND FISCAL PLANNING.

32 (E) ON OR BEFORE SEPTEMBER 1, 1996, EACH HEAD OF A UNIT SHALL GIVE TO
33 THE STATE RETIREMENT AGENCY A LIST OF THE TARGETED POSITIONS AND THE
34 NAMES OF THE EMPLOYEES IN THE TARGETED POSITIONS.

35 9-706.

36 (A) THERE IS A PLAN OF SEVERANCE INCENTIVES TO BE OFFERED ONLY
37 DURING THE PERIOD SPECIFIED IN THIS SUBTITLE TO ENCOURAGE THE
38 VOLUNTARY SEPARATION FROM EMPLOYMENT OF ELIGIBLE EMPLOYEES.

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1 (B) EXCEPT AS PROVIDED IN § 9-712 OF THIS SUBTITLE, THE PLAN IS NOT
2 SUBJECT TO THE LAYOFF PROVISIONS OF SUBTITLE 5 OF THIS TITLE.

3 (C) AN EMPLOYEE IS ELIGIBLE TO PARTICIPATE IN THE PLAN IF THE
4 EMPLOYEE:

5 (1) IS SERVING IN A PERMANENT POSITION;

6 (2) HAS BEEN IN STATE SERVICE IN A PERMANENT POSITION FOR AT
7 LEAST 1 YEAR;

8 (3) HAS A POSITION THAT IS FUNDED IN THE STATE BUDGET BUT NOT
9 WITH FEDERAL FUNDS;

10 (4) IS NOT RECEIVING A RETIREMENT ALLOWANCE FROM A STATE
11 RETIREMENT OR PENSION SYSTEM;

12 (5) DOES NOT HAVE A PENDING APPLICATION FOR DISABILITY
13 RETIREMENT;

14 (6) AGREES TO RESIGN OR RETIRE VOLUNTARILY ON THE DATE THAT
15 THE EMPLOYEE'S APPLICATION TO SEPARATE FROM EMPLOYMENT BECOMES
16 EFFECTIVE UNDER THIS SUBTITLE; AND

17 (7) IS IN A POSITION THAT IS DESIGNATED UNDER A PROPOSAL FOR
18 REORGANIZATION AS ELIGIBLE FOR PARTICIPATION IN THE PLAN.

19 (D) (1) AN ELIGIBLE EMPLOYEE MAY APPLY FOR VOLUNTARY SEPARATION
20 FROM EMPLOYMENT BY SUBMITTING A COMPLETED APPLICATION TO THE
21 EMPLOYEE'S APPOINTING AUTHORITY ON OR BEFORE OCTOBER 15, 1996.

22 (2) AN EMPLOYEE MAY CANCEL AN APPLICATION BY SUBMITTING A
23 WRITTEN STATEMENT OF CANCELLATION TO THE EMPLOYEE'S APPOINTING
24 AUTHORITY ON OR BEFORE OCTOBER 22, 1996.

25 (E) EACH APPOINTING AUTHORITY IN CONSULTATION WITH THE HEAD OF
26 THE UNIT SHALL REVIEW EACH APPLICATION FOR VOLUNTARY SEPARATION AND
27 ACCEPT OR REJECT THE APPLICATION ON OR BEFORE NOVEMBER 15, 1996.

28 (F) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IF
29 AN APPLICATION FOR VOLUNTARY SEPARATION FROM EMPLOYMENT IS ACCEPTED
30 UNDER THIS SECTION, THE SEPARATION FROM EMPLOYMENT SHALL BE EFFECTIVE
31 11:59 P.M. ON DECEMBER 31, 1996.

32 (2) THE HEAD OF A UNIT MAY DELAY FOR A PERIOD NOT EXCEEDING 6
33 MONTHS THE EFFECTIVE DATE OF A SEPARATION FROM EMPLOYMENT UNDER THE
34 PLAN IF THE DELAY IS NECESSARY FOR THE EFFECTIVE OPERATION OF THE UNIT
35 AND IS APPROVED BY THE SECRETARY OF BUDGET AND FISCAL PLANNING.

36 (G) THE BUDGETED POSITION OF THE EMPLOYEE WHO IS VOLUNTARILY
37 SEPARATED FROM EMPLOYMENT UNDER THE PLAN SHALL BE ELIMINATED ON THE
38 DATE THAT THE SEPARATION FROM EMPLOYMENT IS EFFECTIVE.

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1 9-707.

2 (A) AN EMPLOYEE WHO PROPERLY APPLIES FOR PARTICIPATION IN THE
3 PLAN UNDER THIS SUBTITLE AND WHOSE APPLICATION IS NOT ACCEPTED OR AN
4 EMPLOYEE IN A POSITION THAT IS LISTED AS INELIGIBLE FOR PARTICIPATION IN
5 THE PLAN UNDER § 9-705(B) OF THIS SUBTITLE, MAY NOT BE SUBJECT TO LAYOFF OR
6 OTHER TERMINATION DURING FISCAL YEAR 1997 OR FISCAL YEAR 1998, EXCEPT FOR
7 CAUSE.

8 (B) EXCEPT FOR THE RIGHT TO PARTICIPATE IN THE PLAN AS PROVIDED IN
9 THIS SUBTITLE, NOTHING IN THIS SUBTITLE OR ANY REGULATIONS ADOPTED IN
10 ACCORDANCE WITH THIS SUBTITLE SHALL CREATE ANY RIGHT, CLAIM, OR
11 ENTITLEMENT ON BEHALF OF A STATE EMPLOYEE.

12 (C) (1) IN DECIDING WHETHER TO ACCEPT OR REJECT AN APPLICATION,
13 THE APPOINTING AUTHORITY AND THE HEAD OF THE UNIT SHALL USE FAIR AND
14 OBJECTIVE CRITERIA AND PROCEDURE INCLUDING:

15 (I) WHETHER THE APPLICANT'S POSITION WOULD OR WOULD NOT
16 BE NECESSARY IN THE APPOINTING AUTHORITY'S JUDGMENT TO THE EFFECTIVE
17 AND EFFICIENT DISCHARGE OF THE FUNCTION OF THE UNIT; AND

18 (II) WHETHER THE FUNCTIONS OF THE POSITION HELD BY THE
19 APPLICANT COULD BE DISCHARGED BY OTHER PERSONNEL WITHIN THE AGENCY.

20 (2) UNDER NO CIRCUMSTANCES MAY A STATE OFFICIAL MAKE A
21 DECISION UNDER THIS PLAN BASED ON AN EMPLOYEE'S AGE, RACE, COLOR,
22 RELIGION, CREED, NATIONAL ORIGIN, SEX, DISABILITY, OR POLITICAL AFFILIATION.

23 (D) THE DEPARTMENT OF BUDGET AND FISCAL PLANNING SHALL PROVIDE
24 TRAINING AND INFORMATION TO EACH UNIT THAT IS PARTICIPATING IN THE PLAN
25 WITH PROCEDURES TO FOLLOW AND THE CRITERIA TO BE USED UNDER THE PLAN.

26 9-708.

27 (A) AN ELIGIBLE EMPLOYEE WHO IS VOLUNTARILY SEPARATED UNDER THIS
28 SUBTITLE:

29 (1) IS ENTITLED TO:

30 (I) RECEIVE THE LESSER OF:

31 1. THE SUM OF THE FOLLOWING:

32 A. FOR THE FIRST 15 YEARS OF STATE SERVICE, ONE
33 TWENTY-FOURTH OF A YEAR'S SALARY FOR EACH OF THOSE YEARS OF STATE
34 SERVICE;

35 B. FOR THE SIXTEENTH THROUGH THE TWENTIETH YEAR
36 OF STATE SERVICE, ONE-SIXTEENTH OF A YEAR'S SALARY FOR EACH OF THOSE
37 YEARS OF STATE SERVICE; AND

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1 C. FOR EACH YEAR OF STATE SERVICE THEREAFTER,
2 ONE-TWELFTH OF A YEAR'S SALARY FOR EACH YEAR OF THOSE YEARS OF STATE
3 SERVICE; OR

4 2. \$75,000.

5 (II) PARTICIPATE FOR UP TO 1 YEAR, AT THE EMPLOYEE'S OPTION,
6 IN THE STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS
7 PROGRAM AND RECEIVE THE SAME STATE SUBSIDY THAT A STATE EMPLOYEE
8 RECEIVES; AND

9 (III) AFTER TERMINATION OF PARTICIPATION IN THE STATE
10 EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS PROGRAM, PURCHASE
11 CONTINUING HEALTH INSURANCE COVERAGE UNDER COBRA; OR

12 (2) IF ELIGIBLE FOR EARLY RETIREMENT UNDER § 9-709 OF THIS
13 SUBTITLE, IS ENTITLED TO CHOOSE INSTEAD OF THE OPTION IN ITEM (1) OF THIS
14 SUBSECTION:

15 (I) TO RECEIVE RETIREMENT BENEFITS SPECIFIED IN § 9-709 OF
16 THIS SUBTITLE; AND

17 (II) TO PARTICIPATE IN THE STATE EMPLOYEE AND RETIREE
18 HEALTH AND WELFARE BENEFITS PROGRAM AS PROVIDED UNDER TITLE 8,
19 SUBTITLE 1 OF THIS ARTICLE.

20 (B) A SEVERANCE PAYMENT UNDER SUBSECTION (A)(1) OF THIS SECTION:

21 (1) SHALL BE PAID IN A LUMP SUM;

22 (2) IS SUBJECT TO DEDUCTION FOR FEDERAL AND STATE TAXES, FICA
23 AND MEDICARE TAXES, AND OTHER APPLICABLE DEDUCTIONS, INCLUDING THE
24 EMPLOYEE COST FOR ANY PARTICIPATION IN THE STATE EMPLOYEE AND RETIREE
25 HEALTH AND WELFARE BENEFITS PROGRAM; AND

26 (3) IS NOT TO BE INCLUDED IN THE COMPUTATION OF EARNABLE
27 COMPENSATION OR SUBJECT TO A DEDUCTION FOR A MEMBER CONTRIBUTION FOR
28 RETIREMENT PURPOSES UNDER DIVISION II OF THIS ARTICLE.

29 (C) (1) TO RECEIVE A SEVERANCE PAYMENT UNDER SUBSECTION (A)(1) OF
30 THIS SECTION, AN EMPLOYEE SHALL SIGN:

31 (I) A RELEASE STATING THAT THE SEPARATION FROM
32 EMPLOYMENT IS VOLUNTARY; AND

33 (II) AN AGREEMENT THAT IF THE EMPLOYEE BECOMES
34 REEMPLOYED BY THE STATE IN A PERMANENT, TEMPORARY, OR CONTRACTUAL
35 POSITION, WITHIN 5 YEARS AFTER SEPARATION FROM EMPLOYMENT UNDER THE
36 PLAN, THE EMPLOYEE WILL:

37 1. NOTIFY THE DEPARTMENT OF BUDGET AND FISCAL
38 PLANNING OF THE REEMPLOYMENT; AND

1 2. REPAY THE SEVERANCE PAYMENT PLUS INTEREST AND
2 PENALTY AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, UNLESS
3 REPAYMENT IS WAIVED UNDER PARAGRAPH (3) OF THIS SUBSECTION.

4 (2) IF WITHIN 5 YEARS OF SEPARATION FROM EMPLOYMENT UNDER
5 THIS SUBTITLE, AN EMPLOYEE BECOMES REEMPLOYED BY THE STATE IN A
6 PERMANENT, TEMPORARY, OR CONTRACTUAL POSITION, ANY SEVERANCE
7 PAYMENTS RECEIVED SHALL BE REPAID.

8 (3) REPAYMENT MAY BE WAIVED ONLY IF THE INDIVIDUAL POSSESSES
9 UNIQUE ABILITIES AND IS THE ONLY QUALIFIED APPLICANT FOR THE POSITION
10 AND THE SECRETARY OF BUDGET AND FISCAL PLANNING APPROVES THE WAIVER.

11 (D) AN EMPLOYEE WHO IS VOLUNTARILY SEPARATED FROM EMPLOYMENT
12 UNDER THE PLAN MAY NOT RECEIVE ANY UNEMPLOYMENT COMPENSATION
13 BENEFITS THAT RELATE TO STATE EMPLOYMENT BEFORE THE SEPARATION.

14 9-709.

15 (A) AN ELIGIBLE EMPLOYEE WHO IS A MEMBER OF THE EMPLOYEES'
16 RETIREMENT SYSTEM, THE EMPLOYEES' PENSION SYSTEM, THE TEACHERS'
17 RETIREMENT SYSTEM, OR THE TEACHERS' PENSION SYSTEM MAY CHOOSE TO
18 RETIRE INSTEAD OF RECEIVING A CASH PAYMENT IF THE MEMBER:

19 (1) SUBMITS A WRITTEN APPLICATION TO THE BOARD OF TRUSTEES
20 WITHIN 2 WEEKS OF APPROVAL OF THE EMPLOYEE'S APPLICATION FOR VOLUNTARY
21 SEPARATION FROM EMPLOYMENT;

22 (2) IS A MEMBER OF THE RESPECTIVE SYSTEM ON APRIL 1, 1996; AND

23 (3) ON OR BEFORE DECEMBER 31, 1996:

24 (I) HAS AT LEAST 25 YEARS OF CREDITABLE SERVICE; AND

25 (II) IS AT LEAST 50 YEARS OLD.

26 (B) AN EMPLOYEE WHO ELECTS THE EARLY RETIREMENT INCENTIVE UNDER
27 THIS SECTION SHALL RETIRE ON THE EMPLOYEE'S EFFECTIVE DATE OF
28 SEPARATION FROM EMPLOYMENT.

29 (C) AN APPLICATION TO RETIRE UNDER THIS SECTION IS IRREVOCABLE.

30 (D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
31 MEMBER WHO RETIRES UNDER THIS SECTION SHALL RECEIVE AN ADDITIONAL 2
32 MONTHS OF SERVICE CREDIT FOR EACH FULL YEAR OF THE MEMBER'S CREDITABLE
33 SERVICE.

34 (2) FOR ANY PART OF A YEAR OF CREDITABLE SERVICE THAT IS
35 GREATER THAN ONE-HALF YEAR, THE MEMBER SHALL RECEIVE AN ADDITIONAL 2
36 MONTHS OF CREDIT.

37 (3) A MEMBER'S CREDIT FOR UNUSED SICK LEAVE MAY NOT BE USED
38 TO DETERMINE THE MEMBER'S CREDITABLE SERVICE THAT IS USED TO COMPUTE
39 THE ADDITIONAL SERVICE CREDIT UNDER THIS SUBSECTION.

1 (E) (1) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS
2 SUBSECTION, A MEMBER OF THE EMPLOYEES' RETIREMENT SYSTEM OR THE
3 TEACHERS' RETIREMENT SYSTEM WHO RETIRES UNDER THIS SECTION SHALL
4 RECEIVE A SERVICE RETIREMENT ALLOWANCE EQUAL TO ONE FIFTY-FIFTH OF THE
5 MEMBER'S AVERAGE FINAL COMPENSATION MULTIPLIED BY THE SUM OF:

6 (I) THE MEMBER'S CREDITABLE SERVICE; AND

7 (II) THE ADDITIONAL CREDIT DESCRIBED IN SUBSECTION (D) OF
8 THIS SECTION.

9 (2) IF A MEMBER HAS LESS THAN 30 YEARS OF CREDITABLE SERVICE
10 AND IS LESS THAN 60 YEARS OLD, THE MEMBER'S RETIREMENT ALLOWANCE
11 COMPUTED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE REDUCED BY 0.5
12 PERCENT FOR EACH MONTH BY WHICH THE MEMBER'S DAY OF RETIREMENT
13 PRECEDES THE EARLIER OF:

14 (I) THE DAY THE MEMBER WOULD HAVE BEEN 60 YEARS OLD; OR

15 (II) THE DAY THE MEMBER WOULD HAVE COMPLETED 30 YEARS
16 OF CREDITABLE SERVICE, NOT INCLUDING THE CREDIT DESCRIBED IN SUBSECTION
17 (D) OF THIS SECTION.

18 (F) A MEMBER OF THE EMPLOYEES' RETIREMENT SYSTEM OR THE
19 TEACHERS' RETIREMENT SYSTEM WHO IS SUBJECT TO SELECTION C (COMBINATION
20 FORMULA) SHALL RECEIVE A SERVICE RETIREMENT ALLOWANCE:

21 (1) FOR CREDITABLE SERVICE BEFORE JULY 1, 1984, AS PROVIDED IN
22 SUBSECTION (E) OF THIS SECTION; AND

23 (2) FOR CREDITABLE SERVICE FROM JULY 1, 1984, AS PROVIDED IN
24 SUBSECTION (G) OF THIS SECTION.

25 (G) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
26 MEMBER OF THE EMPLOYEES' PENSION SYSTEM OR THE TEACHERS' PENSION
27 SYSTEM WHO RETIRES UNDER THIS SECTION SHALL RECEIVE A SERVICE
28 RETIREMENT ALLOWANCE EQUAL TO THE SUM OF THE MEMBER'S CREDITABLE
29 SERVICE AND THE ADDITIONAL CREDIT DESCRIBED IN SUBSECTION (D) OF THIS
30 SECTION, MULTIPLIED BY:

31 (I) 0.8 PERCENT OF THE MEMBER'S AVERAGE FINAL
32 COMPENSATION THAT IS NOT IN EXCESS OF THE SOCIAL SECURITY INTEGRATION
33 LEVEL; AND

34 (II) 1.5 PERCENT OF THE MEMBER'S AVERAGE FINAL
35 COMPENSATION THAT EXCEEDS THE SOCIAL SECURITY INTEGRATION LEVEL.

36 (2) IF A MEMBER HAS LESS THAN 30 YEARS OF CREDITABLE SERVICE
37 AND IS LESS THAN 62 YEARS OLD, THE MEMBER'S RETIREMENT ALLOWANCE
38 COMPUTED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE REDUCED BY
39 THE LESSER OF:

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1 (I) 0.5 PERCENT FOR EACH MONTH BY WHICH THE MEMBER'S DAY
2 OF RETIREMENT PRECEDES THE DAY THE MEMBER WOULD HAVE BEEN 62 YEARS
3 OLD; OR

4 (II) 42 PERCENT.

5 (H) THE BOARD OF TRUSTEES MAY ADOPT REGULATIONS TO CARRY OUT
6 THIS SECTION.

7 (I) IF THE MEMBER DIES PRIOR TO THE EFFECTIVE DATE OF RETIREMENT,
8 AN APPLICATION TO RETIRE IN ACCORDANCE WITH THE PROVISIONS OF THIS
9 SECTION SHALL BE VOID AND OF NO EFFECT, AND THE BENEFITS PAYABLE ON THE
10 MEMBER'S ACCOUNT SHALL BE COMPUTED AS IF THE APPLICATION HAD NOT BEEN
11 FILED.

12 9-710.

13 IN COMPUTING YEARS UNDER § 9-708(A)(1) OF THIS SUBTITLE, ANY PORTION OF
14 A YEAR THAT IS GREATER THAN ONE-HALF YEAR SHALL BE ROUNDED UP TO A
15 WHOLE NUMBER.

16 9-711.

17 (A) THE TERMINATING UNIT SHALL PAY THE COSTS UNDER THE PLAN THAT
18 ARE ASSOCIATED WITH THE LUMP-SUM PAYMENTS MADE TO ITS EMPLOYEES
19 UNDER § 9-708(A)(1)(I) OF THIS SUBTITLE.

20 (B) (1) THE COSTS SHALL BE PAID FIRST FROM APPROPRIATIONS
21 AVAILABLE TO THE TERMINATING UNIT.

22 (2) IF THE APPROPRIATIONS ARE INSUFFICIENT, THE HEAD OF THE
23 UNIT SHALL CERTIFY TO THE SECRETARY OF BUDGET AND FISCAL PLANNING THAT
24 THE UNIT IS UNABLE TO PAY THE COSTS WHEN DUE WITHOUT AFFECTING THE
25 UNIT'S ABILITY TO DELIVER ESSENTIAL SERVICES.

26 (3) ON VERIFYING A CERTIFICATION UNDER PARAGRAPH (2) OF THIS
27 SUBSECTION, THE SECRETARY SHALL TRANSFER FROM THE DEDICATED PURPOSE
28 ACCOUNT OF THE STATE RESERVE FUND TO THE UNIT SUFFICIENT FUNDS TO BE
29 USED TO FINANCE THE UNSATISFIED BALANCE OF THE UNIT'S OBLIGATIONS.

30 (C) (1) THE GOVERNOR IS AUTHORIZED TO TRANSFER UP TO \$15 MILLION
31 FROM THE REVENUE STABILIZATION ACCOUNT TO THE DEDICATED PURPOSE
32 ACCOUNT FOR THE PURPOSE OF PROVIDING FUNDS TO THOSE UNITS UNABLE TO
33 PAY THE COSTS OF THE PLAN IN ACCORDANCE WITH SUBSECTION (B) OF THIS
34 SECTION.

35 (2) ANY UNEXPENDED BALANCE IN THE DEDICATED PURPOSE
36 ACCOUNT AT THE END OF FISCAL YEAR 1997 IN ADDITION TO THE FUNDS
37 APPROPRIATED IN THE FISCAL YEAR 1998 STATE BUDGET FOR THE REPAYMENT OF
38 TRANSFERS TO UNITS IN ACCORDANCE WITH SUBSECTION (B)(3) OF THIS SECTION
39 SHALL BE TRANSFERRED TO THE REVENUE STABILIZATION ACCOUNT ON OR
40 BEFORE AUGUST 1, 1997.

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1 (3) (I) IN THE BUDGET BILL SUBMITTED AT THE 1998 SESSION OF THE
2 GENERAL ASSEMBLY, THE GOVERNOR SHALL PROVIDE AN APPROPRIATION TO THE
3 REVENUE STABILIZATION ACCOUNT IN AN AMOUNT EQUIVALENT TO THE AMOUNT
4 TRANSFERRED FROM THAT ACCOUNT UNDER THIS SECTION.

5 (II) APPROPRIATIONS MAY BE FROM GENERAL FUND AND OTHER
6 FUND ACCOUNTS OF THE UNITS FROM WHICH FUNDS WERE TRANSFERRED.

7 9-712.

8 IF A UNIT FAILS TO ELIMINATE UNDER THE PLAN THE NUMBER OF POSITIONS
9 REQUIRED UNDER § 9-704 OF THIS SUBTITLE, THE HEAD OF THAT UNIT SHALL
10 ELIMINATE THE REMAINING NUMBER OF POSITIONS THROUGH LAYOFFS AS
11 PROVIDED UNDER THIS SUBTITLE 5 OF THIS TITLE OR OTHER LAWFUL METHODS OF
12 TERMINATION OF POSITIONS ON OR BEFORE MARCH 1, 1997.

13 20-207.

14 A MEMBER OF A STATE SYSTEM MAY NOT RECEIVE A BASIC ALLOWANCE THAT
15 EXCEEDS THE MEMBER'S AVERAGE FINAL COMPENSATION.

16 21-304.

17 (d) (3) [If] EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION,
18 IF the accrued liability is increased by legislation enacted after July 1, 1980, the additional
19 liability shall be funded over 30 years beginning on July 1 coincident with or next
20 following the effective date of the increase.

21 (4) IF THE ACCRUED LIABILITY IS INCREASED BY LEGISLATION THAT
22 PROVIDES FOR EARLY RETIREMENT OF STATE EMPLOYEES, THE ADDITIONAL
23 LIABILITY SHALL BE FUNDED OVER A PERIOD OF 5 YEARS BEGINNING ON JULY 1,
24 1997.

25 SECTION 2. AND BE IT FURTHER ENACTED, That on or before October 1,
26 1997, in accordance with § 2-1312 of the State Government Article:

27 (1) The State Retirement Agency shall report to the General Assembly on
28 the total number of State employees who retire under this Act; and

29 (2) The Department of Budget and Fiscal Planning shall report to the
30 General Assembly as to each unit of State government:

31 (i) The number of employees and the salaries of the employees of the
32 unit who retire under this Act;

33 (ii) A list of the positions and the salary for the positions in the unit
34 that are eliminated under this Act; and

35 (iii) A schedule that lists the total number of positions for the unit as of
36 June 30, 1996, the total number of positions for the unit after the positions for that unit
37 are eliminated under this Act, and the number of positions eliminated under this Act.

38 SECTION 3. AND BE IT FURTHER ENACTED, That, in recognition of the
39 additional administrative burden that may result from the number of State employees

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1 who may retire under this Act, the State Retirement Agency may take an additional 60
2 days to process applications for retirement that are filed for retirement under this Act.
3 Except to the extent of a delay in the receipt of a benefit, a delay in processing an
4 application may not affect an applicant's right to a benefit.

5 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 June 1, 1996.