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**By: Senator Amoss (Chairman, Joint Committee on Pensions)**

Introduced and read first time: January 24, 1997

Assigned to: Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: February 25, 1997

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Pensions - Member Contributions - Deduction and Payment**

3 FOR the purpose of clarifying how certain deductions of member contributions from  
4 members' compensation are required to be made and paid to the Board of Trustees  
5 of the State Retirement and Pension System or be subject to a certain penalty and  
6 interest.

7 BY repealing and reenacting, with amendments,  
8 Article - State Personnel and Pensions  
9 Section 21-314  
10 Annotated Code of Maryland  
11 (1994 Volume and 1996 Supplement)

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

14 **Article - State Personnel and Pensions**

15 21-314.

16 (a) Each participating employer shall submit to the Board of Trustees a statement  
17 that shows the name, date of birth, occupational title, duties, compensation, length of  
18 service, and other information that the Board of Trustees requires regarding employees  
19 or former employees of the participating employer.

20 (b) Each year the Board of Trustees shall certify the member contribution rates to  
21 the chief fiscal officer of each participating employer.

22 (c) (1) IN THIS SUBSECTION, "COMPENSATION" MEANS A MEMBER'S  
23 EARNABLE COMPENSATION AS PROVIDED IN § 20-101 OF THIS ARTICLE AND

2  
1 INCLUDES THE AMOUNT EARNED BY THE MEMBER FOR ALL PAY PERIODS ENDING  
2 DURING A CALENDAR YEAR EVEN IF AN AMOUNT IS PAID TO THE MEMBER AFTER  
3 DECEMBER 31 OF THE CALENDAR YEAR.

4                   (2) As each payroll is paid or in a manner that the Board of Trustees  
5 prescribes, each participating employer shall certify to the Board of Trustees, and the  
6 proper fiscal officer of the participating employer shall pay to the Board of Trustees, the  
7 member contributions deducted from the compensation of each member employed by the  
8 participating employer or made under an employer pickup program.

9                   (d) (1) A participating employer that does not pay the member contributions  
10 certified under this section to the Board of Trustees within the time required is liable for:

11                                 (i) a penalty of 10% of the amounts due; and

12                                 (ii) interest on delinquent amounts at 10% a year until paid.

13                   (2) The Secretary of the Board of Trustees may allow a grace period for  
14 payment of the amounts due under this section not to exceed 10 calendar days.

15                   (3) On notification by the Secretary of the Board of Trustees that a  
16 delinquency exists, the State Comptroller immediately shall set off the delinquent amount  
17 against any money due or coming due to the delinquent participating employer.

18                   (e) On receipt of the payments from the participating employer, the Board of  
19 Trustees shall credit the amounts to the individual account of the member, from whose  
20 compensation the member contribution is made, in the annuity savings fund of the  
21 appropriate system.

22                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 July 1, 1997.