

SENATE BILL 466

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1998 Regular Session
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By: **Senator McFadden**

Introduced and read first time: February 6, 1998

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 23, 1998

CHAPTER_____

1 AN ACT concerning

2 **Local Law Enforcement Officers - Participation in State System**

3 FOR the purpose of authorizing law enforcement officers of counties and municipal
4 corporations in the State to participate in the Law Enforcement Officers'
5 Pension System on or after a certain date under certain conditions; providing for
6 the procedures for electing to participate; providing for the procedures for
7 withdrawal from the system; providing for the funding of the participation in
8 the system; requiring the transfer of certain funds to the accumulation fund of
9 the system; defining certain terms; and generally relating to the election for law
10 enforcement officers of counties and municipal corporations to participate in the
11 Law Enforcement Officers' Pension System.

12 BY adding to
13 Article - State Personnel and Pensions
14 Section 21-306.1; and 31-2A-01 through 31-2A-05, inclusive, to be under the
15 new subtitle "Subtitle 2A. Participation in the Law Enforcement Officers'
16 Pension System"
17 Annotated Code of Maryland
18 (1997 Replacement Volume)

19 BY repealing and reenacting, without amendments,
20 Article - State Personnel and Pensions
21 Section 21-309 and 31-303
22 Annotated Code of Maryland
23 (1997 Replacement Volume)

24 BY repealing and reenacting, with amendments,

1 Article - State Personnel and Pensions
2 Section 26-201, 26-202, 26-203.1, 31-301, 31-302, 31-304, 31-305, and
3 31-306
4 Annotated Code of Maryland
5 (1997 Replacement Volume)

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 21-306.1.

10 (A) (1) EACH FISCAL YEAR, ON BEHALF OF ITS EMPLOYEES WHO ARE
11 MEMBERS OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM, A
12 PARTICIPATING GOVERNMENTAL UNIT SHALL PAY AN AMOUNT EQUAL TO OR
13 GREATER THAN THE PRODUCT OF MULTIPLYING:

14 (I) THE AGGREGATE ANNUAL EARNABLE COMPENSATION OF
15 THOSE MEMBERS; AND

16 (II) THE SUM OF THE NORMAL CONTRIBUTION RATE AND THE
17 ACCRUED LIABILITY CONTRIBUTION RATE, AS DETERMINED UNDER THIS SECTION.

18 (2) EACH FISCAL YEAR, IN ADDITION TO THE AMOUNTS REQUIRED TO
19 BE PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION, A PARTICIPATING
20 GOVERNMENTAL UNIT SHALL PAY:

21 (I) THE SPECIAL ACCRUED LIABILITY CONTRIBUTION REQUIRED
22 BY SUBSECTION (D) OF THIS SECTION; AND

23 (II) ANY WITHDRAWAL LIABILITY CONTRIBUTION REQUIRED BY
24 SUBSECTION (E) OF THIS SECTION.

25 (3) THE AMOUNTS DETERMINED UNDER PARAGRAPHS (1) AND (2) OF
26 THIS SUBSECTION SHALL BE BASED ON AN ACTUARIAL DETERMINATION OF THE
27 AMOUNTS THAT ARE REQUIRED TO PRESERVE THE INTEGRITY OF THE
28 ACCUMULATION FUND OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM,
29 USING:

30 (I) THE ENTRY-AGE ACTUARIAL COST METHOD;

31 (II) ACTUARIAL ASSUMPTIONS ADOPTED BY THE BOARD OF
32 TRUSTEES; AND

33 (III) THE ASSET VALUATION METHOD RECOMMENDED BY THE
34 ACTUARY AND ADOPTED BY THE BOARD OF TRUSTEES.

35 (4) THE ACTUARY SHALL COMPUTE THE CONTRIBUTIONS PAYABLE
36 UNDER THIS SECTION.

1 (5) THE AMOUNTS COMPUTED UNDER THIS SECTION ARE A CHARGE
2 AGAINST THE PARTICIPATING GOVERNMENTAL UNIT TO BE PAID IN ACCORDANCE
3 WITH § 21-309 OF THIS SUBTITLE.

4 (B) (1) AS PART OF EACH ACTUARIAL VALUATION, THE ACTUARY SHALL
5 DETERMINE THE NORMAL CONTRIBUTIONS, NET OF MEMBER CONTRIBUTIONS, ON
6 ACCOUNT OF MEMBERS OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.

7 (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE
8 NORMAL CONTRIBUTION RATE FOR THE LAW ENFORCEMENT OFFICERS' PENSION
9 SYSTEM EQUALS THE FRACTION THAT HAS:

10 (I) AS ITS NUMERATOR, THE SUM OF THE NORMAL
11 CONTRIBUTIONS DETERMINED UNDER THIS SUBSECTION; AND

12 (II) AS ITS DENOMINATOR, THE AGGREGATE ANNUAL EARNABLE
13 COMPENSATION OF THE MEMBERS OF THE LAW ENFORCEMENT OFFICERS' PENSION
14 SYSTEM.

15 (3) ON THE RECOMMENDATION OF THE ACTUARY, THE BOARD OF
16 TRUSTEES MAY ADJUST THE NORMAL CONTRIBUTION RATE DETERMINED UNDER
17 THIS SECTION TO PROVIDE FOR:

18 (I) EXPERIENCE GAINS AND LOSSES;

19 (II) THE EFFECT OF CHANGES IN ACTUARIAL ASSUMPTIONS; AND

20 (III) THE EFFECT OF LEGISLATION ENACTED AFTER JULY 1, 1999.

21 (C) (1) THE ACCRUED LIABILITY CONTRIBUTION RATE FOR THE LAW
22 ENFORCEMENT OFFICERS' PENSION SYSTEM SHALL BE COMPUTED AS THE PERCENT
23 OF THE AGGREGATE EARNABLE COMPENSATION OF THE MEMBERS OF THE LAW
24 ENFORCEMENT OFFICERS' PENSION SYSTEM THAT IS SUFFICIENT TO LIQUIDATE
25 OVER 40 YEARS BEGINNING JULY 1, 1999, THE AMOUNT, AS OF JUNE 30, 1999, BY
26 WHICH THE TOTAL LIABILITIES OF THE LAW ENFORCEMENT OFFICERS' PENSION
27 SYSTEM EXCEEDED THE SUM OF:

28 (I) THE ASSETS IN THE ACCUMULATION FUND AND THE ANNUITY
29 SAVINGS FUND OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM; AND

30 (II) THE PRESENT VALUE OF FUTURE NORMAL CONTRIBUTIONS,
31 FUTURE SPECIAL ACCRUED LIABILITY CONTRIBUTIONS, FUTURE WITHDRAWAL
32 LIABILITY CONTRIBUTIONS, AND FUTURE MEMBER CONTRIBUTIONS.

33 (2) ON THE RECOMMENDATION OF THE ACTUARY, THE BOARD OF
34 TRUSTEES MAY ADJUST THE ACCRUED LIABILITY CONTRIBUTION RATE TO REFLECT:

35 (I) EXPERIENCE GAINS AND LOSSES;

36 (II) THE EFFECT OF CHANGES IN ACTUARIAL ASSUMPTIONS; AND

1 (III) THE EFFECT OF LEGISLATION ENACTED AFTER JULY 1, 1999.

2 (D) (1) IN THIS SUBSECTION, "SPECIAL ACCRUED LIABILITY" MEANS, AS TO
3 ANY PARTICIPATING GOVERNMENTAL UNIT, THE LIABILITY OF THE LAW
4 ENFORCEMENT OFFICERS' PENSION SYSTEM ON ACCOUNT OF THE EMPLOYEES OF
5 THE PARTICIPATING GOVERNMENTAL UNIT WHO ELECT TO BECOME MEMBERS
6 UNDER § 26-202(B) OF THIS ARTICLE.

7 (2) EACH PARTICIPATING GOVERNMENTAL UNIT SHALL MAKE A
8 SPECIAL ACCRUED LIABILITY CONTRIBUTION ON ACCOUNT OF THE PARTICIPATION
9 OF ITS EMPLOYEES IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.

10 (3) THE SPECIAL ACCRUED LIABILITY CONTRIBUTION SHALL BE
11 DETERMINED BY AN ACTUARIAL VALUATION OF THE SPECIAL ACCRUED LIABILITY
12 AS OF THE DATE OF APPROVAL OF PARTICIPATION BY THE LEGISLATIVE BODY OF
13 THE PARTICIPATING GOVERNMENTAL UNIT.

14 (4) EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION, THE
15 ANNUAL SPECIAL ACCRUED LIABILITY CONTRIBUTION OF EACH PARTICIPATING
16 GOVERNMENTAL UNIT SHALL BE THE LEVEL ANNUAL PAYMENT THAT IS
17 SUFFICIENT TO LIQUIDATE, OVER 25 YEARS BEGINNING ON THE DATE OF APPROVAL
18 BY THE LEGISLATIVE BODY OF THE PARTICIPATING GOVERNMENTAL UNIT, THE
19 AMOUNT BY WHICH THE SPECIAL ACCRUED LIABILITY OF THE PARTICIPATING
20 GOVERNMENTAL UNIT EXCEEDS THE SUM OF:

21 (I) THE PRESENT VALUE, AS OF THE DATE OF APPROVAL, OF
22 FUTURE NORMAL CONTRIBUTIONS, FUTURE ACCRUED LIABILITY CONTRIBUTIONS,
23 AND FUTURE MEMBER CONTRIBUTIONS ON BEHALF OF OR BY MEMBERS WHO ARE
24 EMPLOYEES OF THE PARTICIPATING GOVERNMENTAL UNIT; AND

25 (II) ANY CASH AND SECURITIES TRANSFERRED TO THE LAW
26 ENFORCEMENT OFFICERS' PENSION SYSTEM IN ACCORDANCE WITH § 31-2A-05(B) OF
27 THIS ARTICLE.

28 (5) SUBJECT TO THE APPROVAL OF THE BOARD OF TRUSTEES, A
29 PARTICIPATING GOVERNMENTAL UNIT MAY LIQUIDATE ITS UNFUNDED SPECIAL
30 ACCRUED LIABILITY:

31 (I) OVER A PERIOD NOT TO EXCEED 40 YEARS; OR

32 (II) SUBJECT TO THE ACTUARY'S CONCURRENCE, BY MEANS OF
33 ANNUAL PAYMENTS OTHER THAN LEVEL ANNUAL PAYMENTS.

34 (6) THE EXPENSE OF MAKING THE INITIAL SPECIAL ACCRUED LIABILITY
35 ACTUARIAL VALUATION SHALL BE ASSESSED AGAINST AND PAID BY THE
36 PARTICIPATING GOVERNMENTAL UNIT ON WHOSE ACCOUNT IT IS NECESSARY.

37 (E) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
38 MEANINGS INDICATED.

1 (II) "ACTIVE PARTICIPANT FUNDING RATIO" MEANS THE RATIO
2 DETERMINED BY THE ACTUARY AS PROVIDED UNDER PARAGRAPH (3) OF THIS
3 SUBSECTION.

4 (III) "COMPLEMENT OF THE ACTIVE PARTICIPANT FUNDING RATIO"
5 IS A RATIO EQUAL TO 1 MINUS THE ACTIVE PARTICIPANT FUNDING RATIO.

6 (2) (I) ON AND AFTER THE DATE OF A PARTICIPATING
7 GOVERNMENTAL UNIT'S WITHDRAWAL FROM THE LAW ENFORCEMENT OFFICERS'
8 PENSION SYSTEM UNDER § 31-302(C) OF THIS ARTICLE, THE PARTICIPATING
9 GOVERNMENTAL UNIT AND ITS EMPLOYEES ARE NOT REQUIRED TO MAKE ANY
10 FURTHER CONTRIBUTIONS TO THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM
11 FOR THOSE EMPLOYEES WHO ELECT TO WITHDRAW FROM THE LAW ENFORCEMENT
12 OFFICERS' PENSION SYSTEM.

13 (II) AS OF THE EFFECTIVE DATE OF WITHDRAWAL, THE
14 PARTICIPATING GOVERNMENTAL UNIT SHALL CONTINUE TO MAKE ANY
15 CONTRIBUTIONS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION ON BEHALF
16 OF THOSE EMPLOYEES WHO DO NOT ELECT TO WITHDRAW FROM THE LAW
17 ENFORCEMENT OFFICERS' PENSION SYSTEM.

18 (III) AS OF THE EFFECTIVE DATE OF WITHDRAWAL OF A
19 PARTICIPATING GOVERNMENTAL UNIT FROM THE LAW ENFORCEMENT OFFICERS'
20 PENSION SYSTEM, THE BOARD OF TRUSTEES SHALL TRANSFER TO THE
21 ADMINISTRATIVE BOARD OF THE LOCAL PENSION SYSTEM THE ASSETS THAT ARE
22 ALLOCABLE TO THE EMPLOYEES OF THE PARTICIPATING GOVERNMENTAL UNIT
23 WHO ELECT TO WITHDRAW FROM THE LAW ENFORCEMENT OFFICERS' PENSION
24 SYSTEM AS DETERMINED UNDER PARAGRAPH (4) OF THIS SUBSECTION.

25 (3) (I) AS OF JUNE 30 OF EACH FISCAL YEAR, THE ACTUARY SHALL
26 DETERMINE THE ACTIVE PARTICIPANT FUNDING RATIO FOR THE PARTICIPATING
27 GOVERNMENTAL UNITS AS PROVIDED IN THIS SECTION.

28 (II) THE ACTIVE PARTICIPANT FUNDING RATIO SHALL BE A
29 FRACTION, NOT TO EXCEED 1, THAT HAS:

30 1. AS ITS NUMERATOR, THE ASSETS TO THE CREDIT OF THE
31 PARTICIPATING GOVERNMENTAL UNITS IN THE ACCUMULATION FUND AND THE
32 ANNUITY SAVINGS FUND OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM
33 AS ADJUSTED UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH, DECREASED BY THE
34 SUM OF THE ACTUARIAL LIABILITIES ALLOCABLE TO RETIREES OF THE LAW
35 ENFORCEMENT OFFICERS' PENSION SYSTEM WHO RETIRED FROM THE SERVICE OF
36 THE PARTICIPATING GOVERNMENTAL UNIT AND THE DESIGNATED BENEFICIARIES
37 OF THOSE RETIREES, FORMER MEMBERS OF THE LAW ENFORCEMENT OFFICERS'
38 PENSION SYSTEM WHO ARE ELIGIBLE FOR A VESTED ALLOWANCE WHO SEPARATED
39 FROM EMPLOYMENT WITH THE PARTICIPATING GOVERNMENTAL UNIT, AND
40 MEMBERS OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM WHO
41 SEPARATED FROM EMPLOYMENT WITH THE PARTICIPATING GOVERNMENTAL UNIT

1 (IV) EXCEPT AS PROVIDED IN SUBPARAGRAPH (V) OF THIS
2 PARAGRAPH, THE ANNUAL WITHDRAWAL LIABILITY CONTRIBUTION OF A
3 PARTICIPATING GOVERNMENTAL UNIT SHALL BE THE ANNUAL PAYMENT THAT IS
4 SUFFICIENT TO LIQUIDATE, OVER NOT MORE THAN 25 YEARS, THE WITHDRAWAL
5 LIABILITY CONTRIBUTION BY MEANS OF ANNUAL PAYMENTS THAT INCREASE EACH
6 YEAR BASED ON THE ACTUARIAL ASSUMPTIONS ADOPTED BY THE BOARD OF
7 TRUSTEES ON THE RECOMMENDATION OF THE ACTUARY.

8 (V) SUBJECT TO THE APPROVAL OF THE BOARD OF TRUSTEES AND
9 THE ACTUARY'S CONCURRENCE, A PARTICIPATING GOVERNMENTAL UNIT MAY:

10 1. LIQUIDATE THE WITHDRAWAL LIABILITY CONTRIBUTION
11 BY MEANS OF LEVEL ANNUAL PAYMENTS OR OVER A TERM OF LESS THAN 25 YEARS;
12 OR

13 2. PREPAY ALL OR A PORTION OF THE WITHDRAWAL
14 LIABILITY CONTRIBUTION.

15 21-309.

16 (a) In this section, "participating governmental unit" includes a county
17 required to pay the employer contribution or part of the employer contribution under
18 § 21-307 of this subtitle.

19 (b) Each year, the Board of Trustees shall certify to the chief fiscal officer of
20 each participating governmental unit:

21 (1) the normal contribution rates, accrued liability contribution rates,
22 special accrued liability contribution rate, and withdrawal liability contribution rate
23 for the participating governmental unit; and

24 (2) any amount payable by the participating governmental unit for a
25 master under § 21-307(b)(2) of this subtitle.

26 (c) Each participating governmental unit shall:

27 (1) include an amount determined based on the rates certified by the
28 Board of Trustees as payable by the participating governmental unit under this
29 section in the next budget, appropriation, or levy of the participating governmental
30 unit after the certification by the Board of Trustees; and

31 (2) levy and collect those amounts in the same manner as any other tax.

32 (d) (1) Except as provided in paragraph (3) of this subsection, within 30 days
33 after receiving the certification by the Board of Trustees of the amount payable by the
34 participating governmental unit under this section, the proper fiscal officer of each
35 participating governmental unit shall pay that amount to the Board of Trustees.

36 (2) A participating governmental unit that does not pay the amounts
37 certified under this subsection within the time required is liable for:

- 1 (i) a penalty of 10% of the amount due; and
2 (ii) interest on delinquent amounts at 10% a year until payment.

3 (3) The Secretary of the Board of Trustees may allow a grace period for
4 payment of the amounts certified under this section not to exceed 10 calendar days.

5 (4) On notification by the Secretary of the Board of Trustees that a
6 delinquency exists, the State Comptroller immediately shall exercise the right of
7 setoff against any money due or coming due to the delinquent participating
8 governmental unit.

9 (e) On receipt of the payments from the fiscal officer of each participating
10 governmental unit, the Board of Trustees shall credit these amounts to the
11 accumulation fund of the appropriate State system.

12 26-201.

13 (a) Except as provided in subsections (b) and (c) of this section, this subtitle
14 applies only to:

15 (1) an employee of the Department of Natural Resources commissioned
16 by the Secretary of Natural Resources as:

- 17 (i) a Natural Resources police officer; or
18 (ii) a law enforcement officer, other than a Natural Resources police
19 officer;

20 (2) a law enforcement officer employed by the Maryland Investigative
21 Services Unit;

22 (3) a member of the Maryland Transportation Authority Police Force
23 who has the powers granted to a police officer under § 4-208 of the Transportation
24 Article; [or]

25 (4) a deputy sheriff employed by the Baltimore City Sheriff's
26 Department; OR

27 (5) A LAW ENFORCEMENT OFFICER EMPLOYED BY A PARTICIPATING
28 GOVERNMENTAL UNIT THAT ON OR AFTER JULY 1, 1999 HAS ELECTED TO
29 PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.

30 (b) This subtitle does not apply to:

31 (1) a Maryland Transportation Authority police officer who transferred
32 from the Employees' Retirement System to the Employees' Pension System on or after
33 December 1, 1996.

34 (c) ~~This subtitle does not apply to:~~

1 (2) a deputy sheriff employed by the Baltimore City Sheriff's
2 Department who transferred from the Employees' Retirement System to the
3 Employees' Pension System on or after December 1, 1996; OR

4 (3) A LAW ENFORCEMENT OFFICER EMPLOYED BY A PARTICIPATING
5 GOVERNMENTAL UNIT WHO TRANSFERRED FROM THE EMPLOYEES' RETIREMENT
6 SYSTEM TO THE EMPLOYEES' PENSION SYSTEM ON OR AFTER DECEMBER 1, 1997.

7 26-202.

8 (a) Except as provided in subsection (b) of this section, an individual described
9 in § 26-201 of this subtitle is a member of the Law Enforcement Officers' Pension
10 System as a condition of employment.

11 (b) (1) Subject to paragraph (2) of this subsection, membership in the Law
12 Enforcement Officers' Pension System is optional for an individual described in §
13 26-201 of this subtitle:

14 (i) who was employed by the Department of Natural Resources on
15 July 1, 1990 and who elects membership on or before December 31, 1997;

16 (ii) who was employed by the Maryland Investigative Services Unit
17 on June 30, 1995 and who elects membership on or before December 31, 1997;

18 (iii) who was employed by the Maryland Transportation Authority
19 on June 30, 1997 and who elects membership on or before December 31, 1997; [or]

20 (iv) who was employed by the Baltimore City Sheriff's Department
21 on June 30, 1997 and who elects membership on or before December 31, 1997; OR

22 (V) WHO IS EMPLOYED BY A PARTICIPATING GOVERNMENTAL UNIT
23 ON THE EFFECTIVE DATE OF PARTICIPATION ON OR AFTER JULY 1, 1999 FOR THAT
24 PARTICIPATING GOVERNMENT UNIT AND WHO ELECTS MEMBERSHIP WITHIN 6
25 MONTHS OF THE EFFECTIVE DATE OF PARTICIPATION.

26 (2) To elect to be a member of the Law Enforcement Officers' Pension
27 System, an individual shall file a written application with the State Retirement
28 Agency.

29 (3) If an individual does not elect membership during the applicable
30 period specified under paragraph (1) of this subsection, the individual may not
31 become a member of the Law Enforcement Officers' Pension System.

32 26-203.1.

33 (A) For members who transfer from the Employees' Pension System or the
34 Employees' Retirement System, the Board of Trustees shall transfer to the
35 accumulation fund of the Law Enforcement Officers' Pension System the employer
36 contributions that were made to the Employees' Retirement System and the

1 Employees' Pension System on behalf of those members who transferred, plus the
2 interest earned on those contributions through the date of transfer.

3 (B) (1) FOR MEMBERS WHO TRANSFER FROM A LOCAL PENSION SYSTEM,
4 THE LOCAL PENSION SYSTEM SHALL TRANSFER TO THE BOARD OF TRUSTEES THE
5 EMPLOYER CONTRIBUTIONS THAT WERE MADE TO THE LOCAL PENSION SYSTEM ON
6 BEHALF OF THOSE MEMBERS WHO TRANSFERRED, PLUS THE INTEREST EARNED ON
7 THOSE CONTRIBUTIONS THROUGH THE DATE OF TRANSFER.

8 (2) THE BOARD OF TRUSTEES SHALL DEPOSIT ANY FUNDS
9 TRANSFERRED UNDER PARAGRAPH (1) OF THIS SUBSECTION IN THE ACCUMULATION
10 FUND OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.

11 SUBTITLE 2A. PARTICIPATION IN THE LAW ENFORCEMENT OFFICERS' PENSION
12 SYSTEM.

13 31-2A-01.

14 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
15 INDICATED.

16 (B) "EFFECTIVE DATE" MEANS THE DATE THAT AN ELIGIBLE GOVERNMENTAL
17 UNIT COMMENCED OR COMMENCES PARTICIPATION IN THE LAW ENFORCEMENT
18 OFFICERS' PENSION SYSTEM.

19 (C) "ELIGIBLE GOVERNMENTAL UNIT" MEANS A GOVERNMENTAL UNIT THAT
20 IS ELIGIBLE TO PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' PENSION
21 SYSTEM UNDER § 31-2A-02 OF THIS SUBTITLE.

22 (D) "LAW ENFORCEMENT OFFICER" MEANS AN INDIVIDUAL CERTIFIED BY
23 THE MARYLAND POLICE TRAINING COMMISSION AS A LAW ENFORCEMENT OFFICER.

24 (E) (1) "LOCAL PENSION SYSTEM" MEANS A RETIREMENT OR PENSION
25 SYSTEM OF AN ELIGIBLE GOVERNMENTAL UNIT.

26 (2) "LOCAL PENSION SYSTEM" INCLUDES THE EMPLOYEES' RETIREMENT
27 SYSTEM AND THE EMPLOYEES' PENSION SYSTEM IF THE ELIGIBLE GOVERNMENTAL
28 UNIT PARTICIPATES UNDER SUBTITLE 1 OF THIS TITLE.

29 31-2A-02.

30 SUBJECT TO § 31-2A-03 OF THIS SUBTITLE, THE GOVERNMENTAL UNITS THAT
31 ARE ELIGIBLE TO PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' PENSION
32 SYSTEM ARE:

33 (1) COUNTIES; AND

34 (2) MUNICIPAL CORPORATIONS.

1 31-2A-03.

2 IF AT LEAST 60% OF THE LAW ENFORCEMENT OFFICERS OF AN ELIGIBLE
3 GOVERNMENTAL UNIT WHO ARE MEMBERS OF A LOCAL PENSION SYSTEM PETITION
4 TO BECOME MEMBERS OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM,
5 THE LEGISLATIVE BODY OF THE ELIGIBLE GOVERNMENTAL UNIT MAY APPROVE THE
6 PARTICIPATION OF THESE LAW ENFORCEMENT OFFICERS IN THE LAW
7 ENFORCEMENT OFFICERS' PENSION SYSTEM AS THOUGH THE LOCAL PENSION
8 SYSTEM WERE NOT IN OPERATION.

9 31-2A-04.

10 IF A LAW ENFORCEMENT OFFICER JOINS THE LAW ENFORCEMENT OFFICERS'
11 PENSION SYSTEM WITHIN 6 MONTHS AFTER THE EFFECTIVE DATE, THE MEMBER IS
12 ENTITLED TO CREDIT FOR EMPLOYMENT WITH THE PARTICIPATING
13 GOVERNMENTAL UNIT BEFORE THE EFFECTIVE DATE.

14 31-2A-05.

15 (A) IF AN ELIGIBLE GOVERNMENTAL UNIT APPROVES PARTICIPATION IN THE
16 LAW ENFORCEMENT OFFICERS' PENSION SYSTEM, THE OPERATION OF THE LOCAL
17 PENSION SYSTEM WITH RESPECT TO THE LAW ENFORCEMENT OFFICERS
18 TERMINATES ON THE EFFECTIVE DATE.

19 (B) (1) ON THE EFFECTIVE DATE:

20 (I) THE ASSETS TO THE CREDIT OF THE LOCAL PENSION SYSTEM
21 THAT RELATE TO THE LAW ENFORCEMENT OFFICERS WHO ELECT TO BECOME
22 MEMBERS SHALL BE TRANSFERRED TO THE LAW ENFORCEMENT OFFICERS'
23 PENSION SYSTEM; AND

24 (II) THE TRUSTEE OR OTHER ADMINISTRATIVE HEAD OF THE
25 LOCAL PENSION SYSTEM SHALL CERTIFY THE PROPORTION OF THE FUNDS OF THE
26 LOCAL PENSION SYSTEM THAT REPRESENTS THE ACCUMULATED CONTRIBUTIONS
27 OF THE MEMBERS AS OF THAT DATE.

28 (2) THE ACCUMULATED CONTRIBUTIONS SHALL BE CREDITED TO THE
29 RESPECTIVE ANNUITY SAVINGS ACCOUNTS OF THE MEMBERS IN THE LAW
30 ENFORCEMENT OFFICERS' PENSION SYSTEM.

31 (3) THE BALANCE OF THE FUNDS TRANSFERRED TO THE LAW
32 ENFORCEMENT OFFICERS' PENSION SYSTEM SHALL BE OFFSET AGAINST THE
33 SPECIAL ACCRUED LIABILITY TO BE FUNDED BY THE PARTICIPATING
34 GOVERNMENTAL UNIT AS PROVIDED BY § 21-306.1(D) OF THIS ARTICLE.

35 31-301.

36 (a) In this subtitle the following words have the meanings indicated.

37 (b) "Employees' system" has the meaning stated in § 31-101 of this title.

1 (c) "Legislative body" has the meaning stated in § 31-101 of this title.

2 (d) "Local pension system" has the meaning stated in § 31-101 of this title.

3 (e) "Withdrawal date" means the date that a withdrawal by a participating
4 governmental unit from the employees' systems [or], the Local Fire and Police
5 System, OR THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM takes effect.

6 31-302.

7 (a) The legislative body of a participating governmental unit may withdraw
8 from participation in the employees' systems and transfer to a local pension system
9 any of the following groups of employees of the governmental unit who consent to the
10 withdrawal:

11 (1) all employees of the participating governmental unit;

12 (2) fire fighters;

13 (3) law enforcement personnel; or

14 (4) subject to the approval of the Board of Trustees, a homogeneous unit
15 of at least 10 employees.

16 (b) The legislative body of a participating governmental unit may withdraw
17 from participation in the Local Fire and Police System and transfer to a local pension
18 system the law enforcement officers or fire fighters of the participating governmental
19 unit who consent to the withdrawal.

20 (C) THE LEGISLATIVE BODY OF A PARTICIPATING GOVERNMENTAL UNIT MAY
21 WITHDRAW FROM PARTICIPATION IN THE LAW ENFORCEMENT OFFICERS' PENSION
22 SYSTEM AND TRANSFER TO A LOCAL PENSION SYSTEM THE LAW ENFORCEMENT
23 OFFICERS OF THE PARTICIPATING GOVERNMENTAL UNIT WHO CONSENT TO THE
24 WITHDRAWAL.

25 31-303.

26 A withdrawal and transfer under § 31-302 of this subtitle takes effect at the end
27 of the State's fiscal year.

28 31-304.

29 If a participating governmental unit withdraws from the employees' systems
30 [or], the Local Fire and Police System, OR THE LAW ENFORCEMENT OFFICERS'
31 PENSION SYSTEM, the accumulated contributions of the withdrawn employees shall
32 be transferred on the withdrawal date to the administrative board of the local pension
33 system and credited to the account of those employees.

1 31-305.

2 (a) As of the effective date of withdrawal of a participating governmental unit,
3 the Board of Trustees shall transfer to the administrative board of the local pension
4 system the portion of the assets that are allocable to the withdrawn employees as
5 determined under § 21-305.5, § 21-305.6, [or] § 21-306, OR § 21-306.1 of this article.

6 (b) The administrative board of the local pension system shall hold the
7 transferred assets in trust to provide retirement benefits for the withdrawn
8 employees.

9 31-306.

10 A participating governmental unit shall pay all administrative costs involved in
11 the withdrawal or reentry if the participating governmental unit:

12 (1) withdraws its employees from the employees' systems [or], Local
13 Fire and Police System, OR LAW ENFORCEMENT OFFICERS' PENSION SYSTEM; or

14 (2) elects to participate in the employees' systems [or], Local Fire and
15 Police System, OR LAW ENFORCEMENT OFFICERS' PENSION SYSTEM for employees
16 who were previously withdrawn.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 1998.