

BY: Appropriations Committee

AMENDMENTS TO HOUSE BILL NO. 191

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Weir” and substitute “Weir, Cadden, Slade, and O’Donnell”.

AMENDMENT NO. 2

On page 1, in line 7, after “System;” insert “providing for certain annual adjustments to the service retirement allowances of certain service and disability retirees of the System or beneficiaries of service and disability retirees as of a certain date; providing for the adjustment to be subject to certain cost-of-living adjustments each fiscal year; requiring the State Retirement Agency to request a private letter ruling from the Internal Revenue Service that makes certain confirmations; making certain provisions of this Act contingent on receipt of a certain ruling from the Internal Revenue Service;”; and in line 8, strike “retirement benefits under”.

On page 1, in line 17, after “24-401.1” insert “and 29-113”.

AMENDMENT NO. 3

On page 2, in line 19, strike “20” and substitute “22”.

On page 3, in line 4, strike “2.75%” and substitute “2.65%”.

AMENDMENT NO. 4

On page 3, after line 9, insert:

“(E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A RETIREE, OR A BENEFICIARY OF A RETIREE, WHO RETIRES ON OR BEFORE JUNE 30, 1999 WITH A SERVICE RETIREMENT ALLOWANCE, SHALL RECEIVE AN ANNUAL RETIREMENT ALLOWANCE ADJUSTMENT AS OF JULY 1, 1999, AS FOLLOWS:

(Over)

(I) FOR A RETIREE WHO HAS BEEN RETIRED NOT MORE THAN 5 YEARS, \$1,000;

(II) FOR A RETIREE WHO HAS BEEN RETIRED MORE THAN 5 YEARS BUT NOT MORE THAN 10 YEARS, \$1,300;

(III) FOR A RETIREE WHO HAS BEEN RETIRED MORE THAN 10 YEARS BUT NOT MORE THAN 15 YEARS, \$1,600; AND

(IV) FOR A RETIREE WHO HAS BEEN RETIRED MORE THAN 15 YEARS, \$1,900.

(2) EACH FISCAL YEAR, THE BOARD OF TRUSTEES SHALL INCREASE THE ADJUSTMENT RECEIVED BY THE RETIREE OR THE BENEFICIARY AS OF JULY 1, 1999, BY MULTIPLYING THE ADJUSTMENT BY A FRACTION THAT HAS:

(I) AS ITS NUMERATOR, THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE PRECEDING FISCAL YEAR; AND

(II) AS ITS DENOMINATOR, THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31, 1998.

29-113.

(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A DISABILITY RETIREE OF THE STATE POLICE RETIREMENT SYSTEM, OR A BENEFICIARY OF A DISABILITY RETIREE OF THE STATE POLICE RETIREMENT SYSTEM, WHO RETIRES ON OR BEFORE JUNE 30, 1999 WITH AN ORDINARY OR SPECIAL DISABILITY RETIREMENT ALLOWANCE UNDER § 29-107 OR § 29-111 OF THIS SUBTITLE, SHALL RECEIVE AN ANNUAL RETIREMENT ALLOWANCE ADJUSTMENT AS OF JULY 1, 1999, AS FOLLOWS:

(1) FOR A RETIREE WHO HAS BEEN RETIRED NOT MORE THAN 5 YEARS, \$1,000;

(2) FOR A RETIREE WHO HAS BEEN RETIRED MORE THAN 5 YEARS BUT NOT MORE THAN 10 YEARS, \$1,300;

(3) FOR A RETIREE WHO HAS BEEN RETIRED MORE THAN 10 YEARS BUT NOT MORE THAN 15 YEARS, \$1,600; AND

(4) FOR A RETIREE WHO HAS BEEN RETIRED MORE THAN 15 YEARS, \$1,900.

(B) EACH FISCAL YEAR, THE BOARD OF TRUSTEES SHALL INCREASE THE ADJUSTMENT RECEIVED BY THE RETIREE OR THE BENEFICIARY AS OF JULY 1, 1999, BY MULTIPLYING THE ADJUSTMENT BY A FRACTION THAT HAS:

(1) AS ITS NUMERATOR, THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31 OF THE PRECEDING FISCAL YEAR; AND

(2) AS IT DENOMINATOR, THE CONSUMER PRICE INDEX FOR THE CALENDAR YEAR ENDING DECEMBER 31, 1998.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - State Personnel and Pensions”.

AMENDMENT NO. 5

On page 3, in line 26, after “23” insert “AND LESS THAN 28”.

On page 5, in line 21, strike “ACCRUE” and substitute “DEPOSIT”.

AMENDMENT NO. 6

On page 5, in line 28, strike “6.5%” and substitute “6%”.

AMENDMENT NO. 7

On page 8, after line 32, insert:

(Over)

“SECTION 3. AND BE IT FURTHER ENACTED, That, on or before July 1, 1999, the State Retirement Agency shall request a private letter ruling from the Internal Revenue Service that confirms:

(1) the continued qualification under § 401 of the Internal Revenue Code of the State Police Retirement System as amended by the Deferred Retirement Option Program established under Section 2 of this Act;

(2) the continued pretax qualification under § 414(h)(2) of the Internal Revenue Code of a member’s contributions under the employer pickup plan of the State Police Retirement System as amended by the Deferred Retirement Option Program established under Section 2 of this Act; and

(3) that a distribution from a member’s account under the Deferred Retirement Option Program established under Section 2 of this Act constitutes an eligible rollover distribution under Internal Revenue Code.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect contingent on the receipt of a private letter ruling by the Internal Revenue Service that makes the confirmations specified under Section 3 of this Act. If a private letter ruling by the Internal Revenue Service is received that makes the confirmations specified under Section 3 of this Act, Section 2 of this Act shall take effect the first day of the month after the State Retirement Agency receives the ruling. If a private letter ruling is received by the State Retirement Agency from the Internal Revenue Service that does not make all of the confirmations specified in Section 3 of this Act, Section 2 of this Act, with no further action required by the General Assembly, shall be null and void and of no force and effect. The State Retirement Agency, within 5 days after receiving the ruling from the Internal Revenue Service, shall forward a copy of the ruling to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.”;

in line 33, strike “2.” and substitute “5.”; and in the same line, after “That” insert “, subject to the provisions of Section 4 of this Act,”.