

SENATE BILL 363

Unofficial Copy
K4

1999 Regular Session
9lr0650

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

Introduced and read first time: February 5, 1999

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 16, 1999

CHAPTER _____

1 AN ACT concerning

2 **Employees' Pension System -- Participating Governmental Units and**
3 **Teachers' Systems - Inclusion in Contributory Pension Benefit Program -**
4 **Participating Governmental Units and Selection C (Combination Formula)**
5 **Members**

6 FOR the purpose of authorizing certain governmental units that participate in the
7 Employees' Pension System to elect to provide its employees with certain
8 contributory pension benefits; providing that the employees of a participating
9 governmental unit that makes the election are entitled to certain benefits as of
10 a certain date; providing a certain exception for certain employees who
11 transferred from the Employees' Retirement System; making the election by the
12 participating governmental unit irrevocable; providing for inclusion in the
13 contributory benefits program of the Employees' Pension System and Teachers'
14 Pension System of certain members of the Employees' and Teachers' Retirement
15 System who are subject to Selection C (Combination formula); providing for
16 inclusion in the Optional Defined Contribution System of certain members of
17 the Employees' Retirement System who are subject to Selection C (Combination
18 formula); providing for the purchase of certain service credit to avoid a certain
19 actuarial deficiency adjustment in an allowance payable on behalf of certain
20 members; clarifying the apportionment of creditable service attributable to
21 qualifying military service and unused sick leave; making certain stylistic and
22 technical changes; providing for the application of this Act; and generally
23 relating to the participation of certain governmental units in in the contributory
24 benefits program of the Employees' Pension System and the Teachers' Pension
25 System and in the Optional Defined Contribution System.

26 BY repealing and reenacting, with amendments,

27 Article - State Personnel and Pensions

1 ~~Section 23-212, 23-302, 23-303, 23-401, 29-425, and 31-112~~
 2 ~~Section 22-214(c), 23-212, 23-302, 23-303, 23-309, 23-401, 29-422, 29-425,~~
 3 ~~and 31-112~~
 4 Annotated Code of Maryland
 5 (1997 Replacement Volume and 1998 Supplement)

6 BY adding to
 7 Article - State Personnel and Pensions
 8 Section 23-217 and 23-218 to be under the new part "Part II. Contributory
 9 Pension Benefit"; ~~23-307.1 and 31-116,~~ 23-308.1, 23-310, and 31-116
 10 Annotated Code of Maryland
 11 (1997 Replacement Volume and 1998 Supplement)

12 BY repealing and reenacting, with amendments,
 13 Article - State Personnel and Pensions
 14 Section 32-101(b)
 15 Annotated Code of Maryland
 16 (1997 Replacement Volume and 1998 Supplement)
 17 (As enacted by Chapter 530 of the Acts of the General Assembly of 1998)

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

20 **Article - State Personnel and Pensions**

21 22-214.

22 (c) (1) This subsection applies to a member who is subject to Selection C
 23 (Combination formula).

24 (2) A member's contribution rate is [5% of the part of the member's
 25 earnable compensation that exceeds the taxable wage base for each year] AS
 26 PROVIDED IN § 23-212 OF THIS ARTICLE.

27 23-212.

28 (a) Except as provided in subsection (b) of this section, a member's
 29 contribution rate is 5% of the part of the member's earnable compensation that
 30 exceeds the taxable wage base for each year.

31 (b) [(1) This subsection does not apply to:

32 (i) an employee of a participating governmental unit or a former
 33 participating governmental unit that has withdrawn; or

1 (ii) a member of the Employees' Pension System or Teachers'
2 Pension System who transferred from the Employees' Retirement System or Teachers'
3 Retirement System after April 1, 1998.

4 (2)] The contribution rate of a member WHO IS SUBJECT TO THE
5 CONTRIBUTORY PENSION BENEFIT UNDER PART II OF THIS SUBTITLE is 2% of the
6 member's earnable compensation.

7 23-215. RESERVED.

8 23-216. RESERVED.

9 PART II. CONTRIBUTORY PENSION BENEFIT.

10 23-217.

11 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THIS PART II
12 OF THIS SUBTITLE APPLIES TO AN INDIVIDUAL WHO IS:

13 (1) A MEMBER OF THE EMPLOYEES' PENSION SYSTEM OR THE
14 TEACHERS' PENSION SYSTEM; OR

15 (2) A MEMBER OF THE EMPLOYEES' RETIREMENT SYSTEM OR THE
16 TEACHERS' RETIREMENT SYSTEM SUBJECT TO SELECTION C (COMBINATION
17 FORMULA) AS PROVIDED IN § 22-221 OF THIS ARTICLE ~~WHO IS AN EMPLOYEE OF A~~
18 ~~PARTICIPATING GOVERNMENTAL UNIT THAT HAS ELECTED THE CONTRIBUTORY~~
19 ~~PENSION BENEFIT FOR ITS EMPLOYEES UNDER § 31-116 OF THIS ARTICLE.~~

20 (B) THIS PART II OF THIS SUBTITLE DOES NOT APPLY TO AN INDIVIDUAL WHO
21 IS:

22 (1) AN EMPLOYEE OF:

23 (I) A PARTICIPATING GOVERNMENTAL UNIT THAT HAS NOT
24 ELECTED THE CONTRIBUTORY PENSION BENEFIT FOR ITS EMPLOYEES UNDER §
25 31-116 OF THIS ARTICLE; OR

26 (II) A FORMER PARTICIPATING GOVERNMENTAL UNIT THAT HAS
27 WITHDRAWN; OR

28 (2) A MEMBER OF THE EMPLOYEES' PENSION SYSTEM OR TEACHERS'
29 PENSION SYSTEM WHO TRANSFERRED FROM THE EMPLOYEES' RETIREMENT SYSTEM
30 OR TEACHERS' RETIREMENT SYSTEM AFTER APRIL 1, 1998.

31 23-218.

32 A MEMBER WHO IS SUBJECT TO THIS PART II OF THIS SUBTITLE SHALL:

33 (1) RECEIVE AN ALLOWANCE FOR ALL CREDITABLE SERVICE AS
34 FOLLOWS:

1 (I) FOR NORMAL SERVICE RETIREMENT AS PROVIDED IN §
2 23-401(C) OF THIS TITLE;

3 (II) FOR EARLY SERVICE RETIREMENT AS PROVIDED IN § 23-402 OF
4 THIS TITLE;

5 (III) FOR ORDINARY DISABILITY RETIREMENT AS PROVIDED IN §
6 29-108 OF THIS ARTICLE; AND

7 (IV) FOR ACCIDENTAL DISABILITY RETIREMENT AS PROVIDED IN §
8 29-110 OF THIS ARTICLE;

9 (2) HAVE THE ALLOWANCE ADJUSTED AS PROVIDED IN TITLE 29,
10 SUBTITLE 4, PART VI OF THIS ARTICLE; AND

11 (3) MAKE THE MEMBER CONTRIBUTIONS AT THE RATE SPECIFIED IN §
12 23-212(B) OF THIS SUBTITLE.

13 23-302.

14 (a) Subject to [subsection (b)] SUBSECTIONS (B) AND (C) of this section, a
15 member is entitled to eligibility service for periods of employment while a member of
16 the Employees' Pension System or the Teachers' Pension System.

17 (b) (1) If a member completes at least 500 hours of employment while a
18 member in any fiscal year, the member is entitled to 1 year of eligibility service.

19 (2) Except in the first and last fiscal years or except as provided in
20 subsection (c) of this section, a member may not receive any eligibility service for a
21 fiscal year in which the member completes less than 500 hours of employment while
22 a member.

23 (3) In the first and last fiscal years, if a member completes less than 500
24 hours of employment while a member, the Board of Trustees shall prorate the
25 eligibility service based on the number of hours worked.

26 (c) [(1) This subsection does not apply to:

27 (i) an employee of a participating governmental unit or a former
28 participating governmental unit that has withdrawn; or

29 (ii) a member of the Employees' Pension System or Teachers'
30 Pension System who transferred from the Employees' Retirement System or Teachers'
31 Retirement System after April 1, 1998.

32 (2)] If a member who IS SUBJECT TO THE CONTRIBUTORY PENSION
33 BENEFIT UNDER SUBTITLE 2, PART II OF THIS TITLE completes less than 500 hours of
34 employment while a member, the Board of Trustees shall prorate the eligibility
35 service based on the number of hours worked.

1 23-303.

2 (a) In this section, "break in service" means a period of separation from
3 employment in a fiscal year after the one in which a member first becomes employed,
4 if during that fiscal year the member does not complete more than 350 hours of
5 employment while a member.

6 (b) (1) This section applies to a member of the Employees' Pension System
7 or the Teachers' Pension System who was a member of one of those State systems.

8 (2) This section does not apply to:

9 (i) a retiree of the Employees' Pension System or the Teachers'
10 Pension System; or

11 (ii) a member of the Employees' Pension System or Teachers'
12 Pension System who is [not an employee of a participating governmental unit or a
13 former participating governmental unit that has withdrawn or who transferred from
14 the Employees' Retirement System or Teachers' Retirement System on or before April
15 1, 1998] SUBJECT TO THE CONTRIBUTORY PENSION BENEFIT UNDER SUBTITLE 2,
16 PART II OF THIS TITLE.

17 (c) A member is entitled to the eligibility service to which the member was
18 entitled before the separation from employment if:

19 (1) the member has not incurred a break in service;

20 (2) the member was entitled to a vested allowance at the time of the
21 separation from employment; or

22 (3) (i) the member has completed 1 year of eligibility service after a
23 break in service; and

24 (ii) the number of consecutive years in which the member incurred
25 a break in service is less than the years of eligibility service as a member before the
26 break in service.

27 (d) To determine if a member is eligible for prior eligibility service under
28 subsection (c)(3)(ii) of this section, the Board of Trustees shall determine the number
29 of years of prior eligibility service:

30 (1) as of the day the member separated from employment; but

31 (2) excluding any eligibility service lost because of a prior break in
32 service.

33 (e) When a member receives credit for eligibility service under subsection (c)
34 of this section from the other system, the member has no further rights in the other
35 system.

1 23-307.1.

2 (A) THIS SECTION APPLIES ONLY TO A FORMER MEMBER, MEMBER, RETIREE,
3 OR SURVIVING BENEFICIARY OF THE EMPLOYEES' PENSION SYSTEM WHO, WHILE A
4 MEMBER, WAS AN EMPLOYEE OF A PARTICIPATING GOVERNMENTAL UNIT THAT
5 ELECTED THE CONTRIBUTORY PENSION BENEFIT FOR ITS EMPLOYEES UNDER §
6 31-116 OF THIS ARTICLE.

7 (B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A MEMBER
8 WHO IS SUBJECT TO THE CONTRIBUTORY PENSION BENEFIT UNDER SUBTITLE 2,
9 PART II OF THIS TITLE MAY PURCHASE CREDIT FOR ELIGIBILITY SERVICE FOR THE
10 PERIOD OF EMPLOYMENT FROM JULY 1, 1998, THROUGH ~~JUNE 30, 1999~~ THE
11 EFFECTIVE DATE OF ELECTION OF THE MEMBER'S PARTICIPATING EMPLOYER, BY
12 PAYING TO THE BOARD OF TRUSTEES:

13 (1) ON OR BEFORE JUNE 30, 2000, THE AMOUNT THE MEMBER WOULD
14 HAVE BEEN REQUIRED TO CONTRIBUTE FOR THAT PERIOD OF EMPLOYMENT; OR

15 (2) ON OR AFTER JULY 1, 2000, THE AMOUNT THE MEMBER WOULD HAVE
16 BEEN REQUIRED TO CONTRIBUTE FOR THAT PERIOD OF EMPLOYMENT PLUS
17 REGULAR INTEREST COMPOUNDED ANNUALLY.

18 (C) IF THE MEMBER FAILS TO MAKE THE PAYMENT ~~REQUIRED AS PROVIDED~~
19 UNDER SUBSECTION (B) OF THIS SECTION, THE BOARD OF TRUSTEES SHALL REDUCE
20 ACTUARIALLY THE ALLOWANCE PAYABLE TO A FORMER MEMBER, RETIREE, OR
21 SURVIVING BENEFICIARY OF A DECEASED MEMBER, FORMER MEMBER, OR ~~MEMBER~~
22 RETIREE.

23 23-308.1.

24 (A) THIS SECTION APPLIES ONLY TO A FORMER MEMBER, MEMBER, RETIREE,
25 OR SURVIVING BENEFICIARY OF THE EMPLOYEES' RETIREMENT SYSTEM OR THE
26 TEACHERS' RETIREMENT SYSTEM WHO IS SUBJECT TO THE SELECTION C
27 (COMBINATION FORMULA) AS PROVIDED IN § 22-221 OF THIS ARTICLE AND TO
28 SUBTITLE 2, PART II OF THIS TITLE.

29 (B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A MEMBER
30 WHO IS SUBJECT TO THE CONTRIBUTORY PENSION BENEFIT UNDER SUBTITLE 2,
31 PART II OF THIS TITLE MAY PURCHASE CREDIT FOR ELIGIBILITY SERVICE FOR THE
32 PERIOD OF EMPLOYMENT FROM JULY 1, 1998 THROUGH JUNE 30, 1999, OR, IF AN
33 EMPLOYEE OF A PARTICIPATING GOVERNMENTAL UNIT, FROM JULY 1, 1998
34 THROUGH THE EFFECTIVE DATE OF ELECTION OF THE MEMBER'S PARTICIPATING
35 EMPLOYER, BY PAYING TO THE BOARD OF TRUSTEES:

36 (1) ON OR BEFORE JUNE 30, 2000, THE AMOUNT THE MEMBER WOULD
37 HAVE BEEN REQUIRED TO CONTRIBUTE FOR THAT PERIOD OF EMPLOYMENT; OR

38 (2) ON OR AFTER JULY 1, 2000, THE AMOUNT THE MEMBER WOULD HAVE
39 BEEN REQUIRED TO CONTRIBUTE FOR THAT PERIOD OF EMPLOYMENT PLUS
40 REGULAR INTEREST COMPOUNDED ANNUALLY.

1 (C) IF THE MEMBER FAILS TO MAKE THE PAYMENT AS PROVIDED UNDER
2 SUBSECTION (B) OF THIS SECTION, THE BOARD OF TRUSTEES SHALL REDUCE
3 ACTUARIALLY THE ALLOWANCE PAYABLE TO A FORMER MEMBER, RETIREE, OR
4 SURVIVING BENEFICIARY OF A DECEASED MEMBER, FORMER MEMBER, OR RETIREE.

5 23-309.

6 (a) (1) For the purpose of computing benefits under this title, creditable
7 service consists of:

8 (i) eligibility service as adjusted under subsection (b) of this
9 section; and

10 (ii) credit for unused sick leave as provided in § 20-206 of this
11 article AND § 23-310 OF THIS SUBTITLE.

12 (2) (i) This paragraph does not apply to an official of a participating
13 governmental unit.

14 (ii) An official who was appointed on or after June 1, 1980, may not
15 receive creditable service in the Employees' Pension System for any year in which the
16 official works fewer than 130 days.

17 (b) (1) This subsection does not apply to eligibility service that consists of:

18 (i) service credit transferred from another retirement or pension
19 system;

20 (ii) military service credit granted under Title 38 of this article; or

21 (iii) service credit purchased under this subtitle.

22 (2) The Board of Trustees shall adjust a member's eligibility service as
23 provided in this subsection.

24 (3) (i) The Board of Trustees shall adopt regulations to determine for
25 any fiscal year the amount of creditable service that equals the eligibility service for
26 a member who has completed less than the normal hours of employment for the
27 member's position.

28 (ii) The normal hours of employment for a position equals the
29 minimum number of hours to be completed by a full-time employee serving in the
30 member's position.

31 (iii) The creditable service recognized for a fiscal year may not be
32 less than the eligibility service for the member multiplied by a fraction not to exceed
33 1 that has:

34 1. as its numerator, the number of hours of employment as a
35 member that the member has completed during that year; and

- 1 (i) has at least 30 years of eligibility service; or
 2 (ii) has attained the age and the years of eligibility service as
 3 follows:

4 Age	Years of Eligibility Service:
5 62 with	5
6 63 with	4
7 64 with	3
8 65 with or more with	2

9 (b) Except as provided in subsection (c) of this section, on retirement under
 10 this section, a member is entitled to receive a normal service retirement allowance
 11 that equals the number of years of the member's creditable service multiplied by:

12 (1) 0.8% of the member's average final compensation that is not in excess
 13 of the Social Security integration level; and

14 (2) 1.5% of the member's average final compensation that exceeds the
 15 Social Security integration level.

16 (c) [(1) This subsection does not apply to:

17 (i) an employee of a participating governmental unit or a former
 18 participating governmental unit that has withdrawn; or

19 (ii) a member of the Employees' Pension System or Teachers'
 20 Pension System who transferred from the Employees' Retirement System or Teachers'
 21 Retirement System after April 1, 1998.

22 (2)] On retirement under this section, a member WHO IS SUBJECT TO THE
 23 CONTRIBUTORY PENSION BENEFIT UNDER SUBTITLE 2, PART II OF THIS TITLE is
 24 entitled to receive a normal service retirement allowance that equals the sum of:

25 [(i) (1) the number of years of the member's creditable service on
 26 or after July 1, 1998 multiplied by 1.4% of the member's average final compensation;
 27 and

28 [(ii) (2) the greater of:

29 [1.] (I) the number of years of the member's creditable
 30 service on or before June 30, 1998 multiplied by 1.2% of the member's average final
 31 compensation; or

32 [2.] (II) the number of years of the member's creditable
 33 service on or before June 30, 1998 multiplied by:

34 [A.] 1. 0.8% of the member's average final compensation
 35 that is not in excess of the Social Security integration level; and

1 [B.] 2. 1.5% of the member's average final compensation
2 that exceeds the Social Security integration level.

3 29-422.

4 (a) In this section, "effective date of selection" means the date that the
5 member, former member, or retiree first became subject to Selection C (Combination
6 formula) as provided in § 22-221 of this title.

7 (b) Except as provided in [subsection (c)] SUBSECTIONS (C) AND (D) of this
8 section, the Board of Trustees shall adjust an allowance described in § 29-421 of this
9 subtitle:

10 (1) for creditable service before the effective date of selection, as provided
11 by Part III of this subtitle; and

12 (2) for creditable service on or after the effective date of selection, as
13 provided by [Part III] PART VI of this subtitle.

14 (c) [For] SUBJECT TO SUBSECTION (D) OF THIS SECTION, FOR a member,
15 former member, or retiree who was subject to Selection B (Limited cost-of-living
16 adjustment) before electing Selection C (Combination formula), the Board of Trustees
17 shall adjust an allowance described in § 29-421 of this subtitle:

18 (1) for creditable service before the effective date of selection, as provided
19 by Part IV of this subtitle; and

20 (2) for creditable service on or after the effective date of selection, as
21 provided by [Part III] PART VI of this subtitle.

22 (D) IF AN ALLOWANCE IS RECEIVED BY A FORMER MEMBER, RETIREE, OR
23 SURVIVING BENEFICIARY OF A DECEASED MEMBER, FORMER MEMBER, OR RETIREE
24 WHO, WHILE A MEMBER, WAS AN EMPLOYEE OF A PARTICIPATING GOVERNMENTAL
25 UNIT THAT HAS NOT ELECTED THE CONTRIBUTORY PENSION BENEFIT OF ITS
26 EMPLOYEES UNDER § 31-116 OF THIS ARTICLE OR A FORMER PARTICIPATING
27 GOVERNMENTAL UNIT THAT HAS WITHDRAWN, THE BOARD OF TRUSTEES SHALL
28 ADJUST THE ALLOWANCE FOR CREDITABLE SERVICE ON OR AFTER THE EFFECTIVE
29 DATE OF SELECTION AS PROVIDED IN PART II OF THIS SUBTITLE.

30 29-425.

31 (a) [Except as provided in subsection (b) of this section, this] THIS Part VI of
32 this subtitle applies on or after July 1, 1998 only to an allowance received by a former
33 member, retiree, or surviving beneficiary of a deceased member, former member, or
34 retiree of the Employees' Pension System or the Teachers' Pension System WHO:

35 (1) IS SUBJECT TO THE CONTRIBUTORY PENSION BENEFIT UNDER
36 TITLE 23, SUBTITLE 2, PART II OF THIS ARTICLE; OR

1 (2) TRANSFERRED FROM THE EMPLOYEES' RETIREMENT SYSTEM OR
2 THE TEACHERS' RETIREMENT SYSTEM TO THE EMPLOYEES' PENSION SYSTEM OR THE
3 TEACHERS' PENSION SYSTEM AFTER APRIL 1, 1998.

4 (b) This Part VI of this subtitle does not apply if the member, former member,
5 or retiree was an employee of:

6 (1) a participating governmental unit THAT HAS NOT ELECTED THE
7 CONTRIBUTORY PENSION BENEFIT OF ITS EMPLOYEES UNDER § 31-116 OF THIS
8 ARTICLE; or

9 (2) a former participating governmental unit that has withdrawn while a
10 member.

11 31-112.

12 (A) [An] SUBJECT TO SUBSECTION (B) OF THIS SECTION, AN employee of a
13 participating governmental unit who is a member of one of the employees' systems is
14 entitled to the benefits to which State employees are entitled under that system.

15 (B) (1) AN EMPLOYEE OF A PARTICIPATING GOVERNMENTAL UNIT THAT
16 HAS ELECTED TO PARTICIPATE IN THE CONTRIBUTORY PENSION BENEFIT OPTION
17 UNDER § 31-116 OF THIS SUBTITLE SHALL BE SUBJECT TO TITLE 23, SUBTITLE 2, PART
18 II OF THIS ARTICLE.

19 (2) AN EMPLOYEE OF A PARTICIPATING GOVERNMENTAL UNIT THAT
20 HAS NOT ELECTED TO PARTICIPATE IN THE CONTRIBUTORY PENSION BENEFIT
21 OPTION UNDER § 31-116 OF THIS SUBTITLE IS NOT SUBJECT TO TITLE 23, SUBTITLE 2,
22 PART II OF THIS ARTICLE.

23 31-116.

24 (A) ON OR BEFORE DECEMBER 31, 1999, A PARTICIPATING GOVERNMENTAL
25 UNIT MAY ELECT TO PROVIDE ITS EMPLOYEES WITH THE CONTRIBUTORY PENSION
26 BENEFIT UNDER TITLE 23 OF THIS ARTICLE AS PROVIDED IN THIS SECTION BY
27 SUBMITTING ITS ELECTION ON A FORM PROVIDED BY THE STATE RETIREMENT
28 AGENCY.

29 (B) (1) IF A PARTICIPATING GOVERNMENTAL UNIT ELECTS TO PROVIDE ITS
30 EMPLOYEES WITH THE CONTRIBUTORY PENSION BENEFIT UNDER TITLE 23 OF THIS
31 ARTICLE, AN EMPLOYEE OF THE PARTICIPATING GOVERNMENTAL UNIT WHO IS A
32 MEMBER OF THE EMPLOYEES' PENSION SYSTEM SHALL BE ENTITLED TO THE
33 BENEFITS AS PROVIDED IN § 23-218 OF THIS ARTICLE, EFFECTIVE ON THE LATER OF
34 JULY 1, 1998, OR THE DATE THE EMPLOYEE BECAME A MEMBER OF THE EMPLOYEES'
35 PENSION SYSTEM, UNLESS THE EMPLOYEE TRANSFERRED TO THE EMPLOYEES'
36 PENSION SYSTEM AFTER APRIL 1, 1998.

37 (2) IF AN EMPLOYEE OF A PARTICIPATING GOVERNMENTAL UNIT
38 TRANSFERRED TO THE EMPLOYEES' PENSION SYSTEM AFTER APRIL 1, 1998, THE

1 EMPLOYEE IS NOT SUBJECT TO TITLE 23, SUBTITLE 2, PART II OF THIS ARTICLE AND
2 IS NOT ENTITLED TO THE BENEFITS AS PROVIDED IN § 23-218 OF THIS ARTICLE.

3 (C) AN ELECTION BY A PARTICIPATING GOVERNMENTAL UNIT UNDER THIS
4 SECTION IS IRREVOCABLE.

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

7 **Article - State Personnel and Pensions**

8 32-101.

9 (b) "Eligible employee" means a member of the Employees' Pension System OR
10 THE EMPLOYEES' RETIREMENT SYSTEM WHO IS SUBJECT TO SELECTION C
11 (COMBINATION FORMULA) AS PROVIDED IN § 22-221 OF THIS ARTICLE, other than:

12 (1) an employee of a participating governmental unit or a former
13 participating governmental unit that has withdrawn; or

14 (2) a member of the Employees' Pension System who transferred from
15 the Employees' Retirement System after April 1, 1998.

16 SECTION 2. 3. AND BE IT FURTHER ENACTED, That this Act shall take
17 effect July 1, 1999. † Section 1 of this Act shall be construed retroactively and shall be
18 applied to and interpreted to affect the participants of the Employees' Pension
19 System, Teachers' Pension System, Employees' Retirement System, and Teachers'
20 Retirement System who are affected by this Act beginning July 1, 1998.