
By: **Chairman, Appropriations Committee (Departmental - University System of Maryland)**

Introduced and read first time: January 24, 2000

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **University System of Maryland - Optional Retirement Program - Employer**
3 **Contribution Rate and Mandatory Employee Contributions**

4 FOR the purpose of increasing the rate of employer contributions for participants in
5 the Optional Retirement Program who are employed by the University System
6 of Maryland or its constituent institutions; requiring participants in the
7 Optional Retirement Program who are employed by the University System of
8 Maryland or its constituent institutions to make mandatory contributions to the
9 Program; and generally relating to the participation of employers of the
10 University System of Maryland in the Optional Retirement Program.

11 BY repealing and reenacting, with amendments,
12 Article - State Personnel and Pensions
13 Section 30-205
14 Annotated Code of Maryland
15 (1997 Replacement Volume and 1999 Supplement)

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

18 **Article - State Personnel and Pensions**

19 30-205.

20 (a) Under the program, the State and the participating employees shall
21 contribute, to the extent required, toward the purchase of annuity contracts.

22 (b) A participating employee may elect to make contributions to no more than
23 two designated companies under the program for the same payroll period, if the
24 Board of Trustees determines that the election of more than one designated company
25 is administratively feasible.

26 (c) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (D) OF THIS SECTION:

1 (1) [On] ON behalf of each participating employee, the State shall
2 contribute 7.25% of the participating employee's annual earnable compensation[.];
3 AND

4 (2) [If] IF a participating employee's compensation is paid from special
5 or federal funds or both, the State's contribution to the program shall be paid from
6 those funds.

7 (D) (1) ON BEHALF OF EACH PARTICIPATING EMPLOYEE WHO IS EMPLOYED
8 BY THE UNIVERSITY SYSTEM OF MARYLAND OR ONE OF ITS CONSTITUENT
9 INSTITUTIONS, THE STATE SHALL CONTRIBUTE 9.25% OF THE PARTICIPATING
10 EMPLOYEE'S ANNUAL EARNABLE COMPENSATION.

11 (2) IF A PARTICIPATING EMPLOYEE'S COMPENSATION IS PAID FROM
12 SPECIAL OR FEDERAL FUNDS OR BOTH, THE STATE'S CONTRIBUTION TO THE
13 PROGRAM SHALL BE PAID FROM THOSE FUNDS.

14 (E) A PARTICIPATING EMPLOYEE WHO IS EMPLOYED BY THE UNIVERSITY
15 SYSTEM OF MARYLAND OR ONE OF ITS CONSTITUENT INSTITUTIONS, AND FOR
16 WHOM THE STATE CONTRIBUTES UNDER SUBSECTION (D) OF THIS SECTION, SHALL
17 HAVE A CONTRIBUTION RATE OF 2% OF THE PARTICIPATING EMPLOYEE'S ANNUAL
18 EARNABLE COMPENSATION.

19 [(d)] (F) The Central Payroll Bureau shall pay contributions to the
20 appropriate designated company for the benefit of each participating employee.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2000.