

---

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

Introduced and read first time: January 24, 2000

Assigned to: Appropriations

---

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2000

---

CHAPTER \_\_\_\_\_

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; providing for delayed effective dates of this Act; and generally relating  
10 to ~~the participation of employers of the University System of Maryland in the~~  
11 Optional Retirement Program.

12 BY repealing and reenacting, with amendments,  
13 Article - State Personnel and Pensions  
14 Section 30-205  
15 Annotated Code of Maryland  
16 (1997 Replacement Volume and 1999 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article - State Personnel and Pensions  
19 Section 30-205  
20 Annotated Code of Maryland  
21 (1997 Replacement Volume and 1999 Supplement)  
22 (As enacted by Section 1 of this Act)

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

3 **Article - State Personnel and Pensions**

4 30-205.

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

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

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

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

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

18 (D) (1) ON BEHALF OF EACH PARTICIPATING EMPLOYEE WHO IS EMPLOYED  
19 BY THE UNIVERSITY SYSTEM OF MARYLAND OR ONE OF ITS CONSTITUENT  
20 INSTITUTIONS, MORGAN STATE UNIVERSITY, OR BALTIMORE CITY COMMUNITY  
21 COLLEGE, THE STATE SHALL CONTRIBUTE 9.25% OF THE PARTICIPATING  
22 EMPLOYEE'S ANNUAL EARNABLE COMPENSATION.

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

26 (E) A PARTICIPATING EMPLOYEE WHO IS EMPLOYED BY THE UNIVERSITY  
27 SYSTEM OF MARYLAND OR ONE OF ITS CONSTITUENT INSTITUTIONS, MORGAN STATE  
28 UNIVERSITY, OR BALTIMORE CITY COMMUNITY COLLEGE, AND FOR WHOM THE  
29 STATE CONTRIBUTES UNDER SUBSECTION (D) OF THIS SECTION, SHALL HAVE A  
30 CONTRIBUTION RATE OF 2% OF THE PARTICIPATING EMPLOYEE'S ANNUAL  
31 EARNABLE COMPENSATION.

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

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

1 Article - State Personnel and Pensions

2 30-205.

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

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

9 (c) Except as otherwise provided in subsection (d) of this section:

10 (1) on behalf of each participating employee, the State shall contribute  
11 [7.25%] 9.25% of the participating employee's annual earnable compensation; and

12 (2) if a participating employee's compensation is paid from special or  
13 federal funds or both, the State's contribution to the program shall be paid from those  
14 funds.

15 [(d) (1) On behalf of each participating employee who is employed by the  
16 University System of Maryland or one of its constituent institutions, Morgan State  
17 University, or Baltimore City Community College, the State shall contribute 9.25% of  
18 the participating employee's annual earnable compensation.

19 (2) If a participating employee's compensation is paid from special or  
20 federal funds or both, the State's contribution to the program shall be paid from those  
21 funds.]

22 [(e) (D) A participating employee [who is employed by the University System  
23 of Maryland or one of its constituent institutions, Morgan State University, or  
24 Baltimore City Community College, and for whom the State contributes under  
25 subsection (d) of this section,] shall have a contribution rate of 2% of the participating  
26 employee's annual earnable compensation.

27 [(f) (E) The Central Payroll Bureau shall pay contributions to the  
28 appropriate designated company for the benefit of each participating employee.

29 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act  
30 shall take effect July 1, 2001.

31 SECTION 2. 4. AND BE IT FURTHER ENACTED, That, except as provided in  
32 Section 3 of this Act, this Act shall take effect ~~October 1, 2000~~ January 1, 2001.

