

HOUSE BILL 509

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2000 Regular Session
0lr1616
CF 0lr2469

By: **Frederick County Delegation**

Introduced and read first time: February 7, 2000

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Frederick County - Employees' Pension System - Contributory Pension**
3 **Benefit**

4 FOR the purpose of allowing the employees of Frederick County who are members of
5 the Employees' Pension System to become subject to a certain contributory
6 pension benefit that alters the benefits those members receive and requires a
7 certain member contribution; authorizing the purchase of service credit under
8 certain circumstances; altering a certain cost-of-living adjustment of certain
9 allowances; requiring Frederick County to pay for certain additional pension
10 liabilities according to a certain amortization schedule approved by the Board of
11 Trustees for the State Retirement and Pension System; and generally relating to
12 participation in the contributory pension benefit part of the Employees' Pension
13 System by certain employees of Frederick County.

14 BY adding to
15 Article - State Personnel and Pensions
16 Section 21-307(k) and 23-307.2
17 Annotated Code of Maryland
18 (1997 Replacement Volume and 1999 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article - State Personnel and Pensions
21 Section 23-217, 29-404, 29-422, and 29-425
22 Annotated Code of Maryland
23 (1997 Replacement Volume and 1999 Supplement)

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

1 **Article - State Personnel and Pensions**

2 21-307.

3 (K) FOR EACH EMPLOYEE WHO IS SUBJECT TO THE CONTRIBUTORY PENSION
4 BENEFIT UNDER TITLE 23, SUBTITLE 2, PART II OF THIS ARTICLE, FREDERICK
5 COUNTY SHALL PAY THE ADDITIONAL LIABILITIES THAT RESULT FROM THE
6 CONTRIBUTORY PENSION BENEFIT ACCORDING TO A SCHEDULE OF AMORTIZATION
7 THAT IS SUBJECT TO THE APPROVAL OF THE BOARD OF TRUSTEES.

8 23-217.

9 (a) Except as provided in subsection (b) of this section, this Part II of this
10 subtitle applies to an individual who is:

11 (1) a member of the Employees' Pension System or the Teachers' Pension
12 System; or

13 (2) a member of the Employees' Retirement System or the Teachers'
14 Retirement System subject to Selection C (Combination Formula) as provided in §
15 22-221 of this article.

16 (b) This Part II of this subtitle does not apply to an individual who is:

17 (1) an employee of:

18 (i) a participating governmental unit that has not elected the
19 contributory pension benefit for its employees under § 31-116 of this article; or

20 (ii) a former participating governmental unit, OTHER THAN
21 FREDERICK COUNTY, that has withdrawn; or

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

25 23-307.2.

26 (A) THIS SECTION APPLIES ONLY TO A FORMER MEMBER, MEMBER, RETIREE,
27 OR SURVIVING BENEFICIARY OF THE EMPLOYEES' PENSION SYSTEM WHO, WHILE A
28 MEMBER, WAS AN EMPLOYEE OF FREDERICK COUNTY.

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 JULY 1, 2000, BY PAYING TO
33 THE BOARD OF TRUSTEES:

34 (1) ON OR BEFORE JUNE 30, 2001, THE AMOUNT THE MEMBER WOULD
35 HAVE BEEN REQUIRED TO CONTRIBUTE FOR THAT PERIOD OF EMPLOYMENT; OR

1 (2) ON OR AFTER JULY 1, 2001, THE AMOUNT THE MEMBER WOULD HAVE
2 BEEN REQUIRED TO CONTRIBUTE FOR THAT PERIOD OF EMPLOYMENT PLUS
3 REGULAR INTEREST COMPOUNDED ANNUALLY.

4 (C) IF THE MEMBER FAILS TO MAKE THE PAYMENT AS PROVIDED UNDER
5 SUBSECTION (B) OF THIS SECTION, THE BOARD OF TRUSTEES SHALL REDUCE
6 ACTUARIALLY THE ALLOWANCE PAYABLE TO A FORMER MEMBER, RETIREE, OR
7 SURVIVING BENEFICIARY OF A DECEASED MEMBER, FORMER MEMBER, OR RETIREE.
8 29-404.

9 (a) Except as provided in subsection (b) of this section, this Part II of this
10 subtitle applies only to an allowance received by a former member, retiree, or
11 surviving beneficiary of a deceased member, former member, or retiree of:

12 (1) the Employees' Pension System if the deceased member, former
13 member, or retiree was an employee of a participating governmental unit or a former
14 participating governmental unit, OTHER THAN FREDERICK COUNTY, that has
15 withdrawn while a member;

16 (2) the Local Fire and Police System; or

17 (3) the Law Enforcement Officers' Pension System.

18 (b) This Part II of this subtitle does not apply to an allowance that is subject to
19 adjustment under Part III, Part IV, Part V, or Part VI of this subtitle.

20 29-422.

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

24 (b) Except as provided in subsections (c) and (d) of this section, the Board of
25 Trustees shall adjust an allowance described in § 29-421 of this subtitle:

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

28 (2) for creditable service on or after the effective date of selection, as
29 provided by Part VI of this subtitle.

30 (c) Subject to subsection (d) of this section, for a member, former member, or
31 retiree who was subject to Selection B (Limited cost-of-living adjustment) before
32 electing Selection C (Combination formula), the Board of Trustees shall adjust an
33 allowance described in § 29-421 of this subtitle:

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

1 (2) for creditable service on or after the effective date of selection, as
2 provided by Part VI of this subtitle.

3 (d) If an allowance is received by a former member, retiree, or surviving
4 beneficiary of a deceased member, former member, or retiree who, while a member,
5 was an employee of a participating governmental unit that has not elected the
6 contributory pension benefit of its employees under § 31-116 of this article or a
7 former participating governmental unit, OTHER THAN FREDERICK COUNTY, that has
8 withdrawn, the Board of Trustees shall adjust the allowance for creditable service on
9 or after the effective date of selection as provided in Part II of this subtitle.

10 29-425.

11 (a) This Part VI of this subtitle applies on or after July 1, 1998 only to an
12 allowance received by a former member, retiree, or surviving beneficiary of a deceased
13 member, former member, or retiree of the Employees' Pension System or the Teachers'
14 Pension System who:

15 (1) is subject to the contributory pension benefit under Title 23, Subtitle
16 2, Part II of this article; or

17 (2) transferred from the Employees' Retirement System or the Teachers'
18 Retirement System to the Employees' Pension System or the Teachers' Pension
19 System after April 1, 1998.

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

22 (1) a participating governmental unit that has not elected the
23 contributory pension benefit of its employees under § 31-116 of this article; or

24 (2) a former participating governmental unit, OTHER THAN FREDERICK
25 COUNTY, that has withdrawn while a member.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 July 1, 2000.