
By: **Frederick County Delegation**
Introduced and read first time: February 7, 2000
Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 21, 2000

CHAPTER _____

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; making this Act subject
12 to a certain contingency; requiring the State Retirement Agency to verify certain
13 information; and generally relating to participation in the contributory pension
14 benefit part of the Employees' Pension System by certain employees of Frederick
15 County.

16 BY adding to
17 Article - State Personnel and Pensions
18 Section 21-307(k) and 23-307.2
19 Annotated Code of Maryland
20 (1997 Replacement Volume and 1999 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article - State Personnel and Pensions
23 Section 23-217, 29-404, 29-422, and 29-425
24 Annotated Code of Maryland
25 (1997 Replacement Volume and 1999 Supplement)

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 21-307.

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

10 23-217.

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

13 (1) a member of the Employees' Pension System or the Teachers' Pension
14 System; or

15 (2) a member of the Employees' Retirement System or the Teachers'
16 Retirement System subject to Selection C (Combination Formula) as provided in §
17 22-221 of this article.

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

19 (1) an employee of:

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

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23 FREDERICK COUNTY, that has withdrawn; or

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

27 23-307.2.

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

31 (B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A MEMBER
32 WHO IS SUBJECT TO THE CONTRIBUTORY PENSION BENEFIT UNDER SUBTITLE 2,
33 PART II OF THIS TITLE MAY PURCHASE CREDIT FOR ELIGIBILITY SERVICE FOR THE
34 PERIOD OF EMPLOYMENT FROM JULY 1, 1998, THROUGH JULY 1, 2000, BY PAYING TO
35 THE BOARD OF TRUSTEES:

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

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

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

10 29-404.

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

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

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

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

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

22 29-422.

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

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

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

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

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

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

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

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

12 29-425.

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

17 (1) is subject to the contributory pension benefit under Title 23, Subtitle
18 2, Part II of this article; or

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

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

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

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

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 July 1, 2000, contingent on approval on or before July 1, 2000 by the Board of County
30 Commissioners of Frederick County for the participation of the employees of
31 Frederick County in the contributory pension benefit of the Employees' Pension
32 System under Title 23, Subtitle 2, Part II of the State Personnel and Pensions Article.
33 If the Board of County Commissioners of Frederick County does not approve on or
34 before July 1, 2000 the participation of the employees of Frederick County in the
35 contributory pension benefit of the Employees' Pension System, this Act, with no
36 further action required by the General Assembly, shall be null and void and of no force
37 and effect. On or before July 15, 2000, the State Retirement Agency shall verify
38 whether the Board of County Commissioners of Frederick County approved on or
39 before July 1, 2000 the participation of the employees of Frederick County in the
40 contributory pension benefit of the Employees' Pension System and shall notify in

1 writing the Department of Legislative Services, 90 State Circle, Annapolis, Maryland
2 21401.