
By: **Chairman, Appropriations Committee (Departmental - Budget and Management)**

Introduced and read first time: February 9, 2000

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Law Enforcement Officers' Pension System - Benefits**

3 FOR the purpose of altering the contribution rate of certain members of the Law
4 Enforcement Officers' Pension System; altering the formula for computing the
5 retirement allowance of certain members of the Law Enforcement Officers'
6 Pension System; establishing a Deferred Retirement Option Program for certain
7 members in the System; altering the criteria for which certain members of the
8 System may be granted an accidental disability retirement allowance; altering
9 the cost-of-living adjustment to be received by certain members of the System;
10 providing for a contingency; and generally relating to the Law Enforcement
11 Officers' Pension System.

12 BY adding to
13 Article - State Personnel and Pensions
14 New part designation "Part I. Membership Generally" to immediately precede
15 Section 26-201
16 Annotated Code of Maryland
17 (1997 Replacement Volume and 1999 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article - State Personnel and Pensions
20 Section 26-204, 26-206, 26-302, 26-401, 29-104, 29-109, 29-303, 29-404, and
21 29-425
22 Annotated Code of Maryland
23 (1997 Replacement Volume and 1999 Supplement)

24 BY repealing
25 Article - State Personnel and Pensions
26 Section 26-303
27 Annotated Code of Maryland
28 (1997 Replacement Volume and 1999 Supplement)

1 BY adding
2 Article - State Personnel and Pensions
3 Section 26-209, 26-210, and 26-211 to be under the new part "Part II. Law
4 Enforcement Officers' Modified Pension Benefit"; 26-303, 26-307.1, and
5 26-401.1
6 Annotated Code of Maryland
7 (1997 Replacement Volume and 1999 Supplement)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
9 MARYLAND, That the new part designation "Part I. Membership Generally" be
10 added to immediately precede Section 26-201 of Article - State Personnel and
11 Pensions of the Annotated Code of Maryland.

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

14 **Article - State Personnel and Pensions**

15 26-204.

16 (a) Except as provided in subsection (b) of this section, a member's
17 contribution rate is [5] 4% of the [part of the] member's earnable compensation
18 [that exceeds the taxable wage base for each year].

19 (b) (1) THIS SUBSECTION APPLIES ONLY TO A MEMBER WHO:

20 (I) TRANSFERRED TO THE LAW ENFORCEMENT OFFICERS'
21 PENSION SYSTEM FROM THE EMPLOYEES' RETIREMENT SYSTEM; AND

22 (II) DID NOT ELECT TO PARTICIPATE IN THE LAW ENFORCEMENT
23 OFFICERS' MODIFIED PENSION BENEFIT ON OR BEFORE DECEMBER 31, 2000 AS
24 PROVIDED IN § 26-211 OF THIS ARTICLE.

25 (2) The contribution rate for a member who has transferred from the
26 Employees' Retirement System is the rate set under:

27 (i) Section 22-214(a) of this article, for a member who had elected
28 Selection A (Additional member contributions) under § 22-219 of this article; or

29 (ii) Section 22-214(b) of this article, for a member who had elected
30 Selection B (Limited cost-of-living adjustment) under § 22-220 of this article.

31 26-206.

32 (A) [Membership] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS
33 SECTION, MEMBERSHIP ends on separation from employment.

1 (B) (1) THIS SUBSECTION APPLIES ONLY TO A MEMBER WHO IS SUBJECT TO
2 THE LAW ENFORCEMENT OFFICERS' MODIFIED PENSION BENEFIT UNDER PART II OF
3 THIS SUBTITLE.

4 (2) MEMBERSHIP ENDS IF THE MEMBER:

5 (I) IS SEPARATED FROM EMPLOYMENT FOR MORE THAN 4 YEARS;

6 (II) WITHDRAWS THE MEMBER'S ACCUMULATED CONTRIBUTIONS;

7 (III) BECOMES A RETIREE; OR

8 (IV) DIES.

9 26-207. RESERVED.

10 26-208. RESERVED.

11 PART II. LAW ENFORCEMENT OFFICERS' MODIFIED PENSION BENEFIT.

12 26-209.

13 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THIS PART II
14 OF THIS SUBTITLE APPLIES TO AN INDIVIDUAL WHO IS A MEMBER OF THE LAW
15 ENFORCEMENT OFFICERS' PENSION SYSTEM.

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

17 (1) IS A MEMBER OF THE LAW ENFORCEMENT OFFICERS' PENSION
18 SYSTEM;

19 (2) TRANSFERRED TO THE LAW ENFORCEMENT OFFICERS' PENSION
20 SYSTEM FROM THE EMPLOYEES' RETIREMENT SYSTEM; AND

21 (3) DID NOT ELECT TO PARTICIPATE IN THE CONTRIBUTORY LAW
22 ENFORCEMENT OFFICERS' MODIFIED PENSION BENEFIT AS PROVIDED IN § 26-211 OF
23 THIS ARTICLE.

24 26-210.

25 (A) A MEMBER WHO IS SUBJECT TO THIS PART II OF THIS SUBTITLE SHALL:

26 (1) RECEIVE AN ALLOWANCE FOR ALL CREDITABLE SERVICE AS
27 FOLLOWS:

28 (I) FOR NORMAL SERVICE RETIREMENT AS PROVIDED IN §
29 26-401(B) OF THIS TITLE;

30 (II) FOR ORDINARY DISABILITY RETIREMENT AS PROVIDED IN §
31 29-108 OF THIS ARTICLE; AND

1 (III) FOR ACCIDENTAL DISABILITY RETIREMENT AS PROVIDED IN §§
2 29-109(C) AND 29-110 OF THIS ARTICLE;

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

5 (3) MAKE MEMBER CONTRIBUTIONS AT THE RATE SPECIFIED IN §
6 26-204(A) OF THIS TITLE.

7 (B) A MEMBER WHO IS NOT SUBJECT TO THIS PART II OF THIS SUBTITLE
8 SHALL RECEIVE AN ALLOWANCE FOR ACCIDENTAL DISABILITY RETIREMENT AS
9 PROVIDED IN §§ 29-109(C) AND 29-110 OF THIS ARTICLE.

10 26-211.

11 (A) THIS SECTION APPLIES ONLY TO A MEMBER OF THE LAW ENFORCEMENT
12 OFFICERS' PENSION SYSTEM WHO TRANSFERRED TO THE LAW ENFORCEMENT
13 OFFICERS' PENSION SYSTEM FROM THE EMPLOYEES' RETIREMENT SYSTEM.

14 (B) ON OR BEFORE DECEMBER 31, 2000, A MEMBER MAY ELECT TO
15 PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' MODIFIED PENSION BENEFIT
16 UNDER PART II OF THIS SUBTITLE BY SUBMITTING AN ELECTION ON A FORM
17 PROVIDED BY THE STATE RETIREMENT AGENCY.

18 (C) (1) AN ELECTION BY A MEMBER UNDER THIS SECTION IS IRREVOCABLE.

19 (2) SUBJECT TO § 26-401(A)(2) OF THIS ARTICLE, AN ELECTION BY A
20 MEMBER UNDER THIS SECTION SHALL BE EFFECTIVE ON THE DATE THAT IT IS FILED
21 WITH THE STATE RETIREMENT AGENCY.

22 (3) THE BOARD OF TRUSTEES MAY NOT ACCEPT AN ELECTION TO
23 PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' MODIFIED PENSION BENEFIT
24 THAT IS FILED WITH THE STATE RETIREMENT AGENCY AFTER 5 P.M. ON DECEMBER
25 29, 2000.

26 26-302.

27 (a) Subject to subsection (b) AND (C) of this section, a member is entitled to
28 eligibility service for periods of employment while a member of the Law Enforcement
29 Officers' Pension System.

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

32 (2) Except in the first and last fiscal years, a member may not receive
33 any eligibility service for a fiscal year in which the member completes less than 500
34 hours of employment while a member.

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

4 (C) IF A MEMBER WHO IS SUBJECT TO THE LAW ENFORCEMENT OFFICERS'
5 MODIFIED PENSION BENEFIT UNDER SUBTITLE 2, PART II OF THIS TITLE COMPLETES
6 LESS THAN 500 HOURS OF EMPLOYMENT WHILE A MEMBER, THE BOARD OF
7 TRUSTEES SHALL PRORATE THE MEMBER'S ELIGIBILITY SERVICE BASED ON THE
8 NUMBER OF HOURS WORKED.

9 [26-303.

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

14 (b) A former member is entitled to the eligibility service to which the former
15 member was entitled before the separation from employment if:

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

17 (2) the former member was entitled to a vested allowance at the time of
18 separation from employment; or

19 (3) (i) the former member has completed 1 year of eligibility service
20 after a break in service; and

21 (ii) the number of consecutive years in which the member incurred
22 a break in service is less than the years of eligibility service as a member before the
23 break in service.

24 (c) To determine if a former member is eligible for prior eligibility service
25 under subsection (b)(3)(ii) of this section, the Board of Trustees shall determine the
26 number of years of prior eligibility service:

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

28 (2) excluding any eligibility service lost because of a prior break in
29 service.]

30 26-303.

31 (A) THIS SECTION APPLIES TO A MEMBER OF THE LAW ENFORCEMENT
32 OFFICERS' PENSION SYSTEM WHO:

33 (1) IS SUBJECT TO THE LAW ENFORCEMENT OFFICERS' MODIFIED
34 PENSION BENEFIT UNDER SUBTITLE 2, PART II OF THIS TITLE; AND

35 (2) HAS NOT WITHDRAWN THE MEMBER'S ACCUMULATED
36 CONTRIBUTIONS UNDER § 29-303(H) OF THIS ARTICLE.

1 (B) A MEMBER IS ENTITLED TO THE ELIGIBILITY SERVICE TO WHICH THE
2 MEMBER WAS ENTITLED BEFORE THE SEPARATION FROM EMPLOYMENT IF THE
3 MEMBER:

4 (1) WAS ENTITLED TO A VESTED ALLOWANCE FROM THE LAW
5 ENFORCEMENT OFFICERS' PENSION SYSTEM AT THE TIME OF THE SEPARATION
6 FROM EMPLOYMENT; AND

7 (2) HAS COMPLETED 1 YEAR OF EMPLOYMENT AS A MEMBER OF THE
8 LAW ENFORCEMENT OFFICERS' PENSION SYSTEM WHO IS SUBJECT TO THE LAW
9 ENFORCEMENT OFFICERS' MODIFIED PENSION BENEFIT UNDER SUBTITLE 2, PART II
10 OF THIS TITLE.

11 26-307.1.

12 (A) A MEMBER MAY PURCHASE SERVICE CREDIT AS PROVIDED IN
13 SUBSECTION (B) OF THIS SECTION FOR PERIODS OF EMPLOYMENT DESCRIBED IN
14 SUBSECTION (C) OF THIS SECTION FOR WHICH THE MEMBER IS NOT OTHERWISE
15 ENTITLED.

16 (B) (1) A MEMBER WHO PURCHASES SERVICE CREDIT UNDER THIS SECTION
17 SHALL:

18 (I) COMPLETE A CLAIM FOR THE SERVICE CREDIT AND FILE IT
19 WITH THE BOARD OF TRUSTEES ON A FORM THAT THE BOARD OF TRUSTEES
20 PROVIDES; AND

21 (II) PAY TO THE BOARD OF TRUSTEES IN A SINGLE PAYMENT THE
22 MEMBER CONTRIBUTIONS THE MEMBER WOULD HAVE MADE FOR THE PERIOD OF
23 EMPLOYMENT FOR WHICH SERVICE CREDIT IS BEING PURCHASED PLUS REGULAR
24 INTEREST TO THE DATE OF PAYMENT.

25 (2) A MEMBER MAY PAY FOR SERVICE CREDIT PURCHASED UNDER THIS
26 SECTION AT ANY TIME BEFORE RETIREMENT.

27 (C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A MEMBER MAY
28 PURCHASE SERVICE CREDIT FOR A PERIOD OF EMPLOYMENT AS A MEMBER OF THE
29 LAW ENFORCEMENT OFFICERS' PENSION SYSTEM IF THE MEMBER:

30 (I) HAS WITHDRAWN THE MEMBER'S ACCUMULATED
31 CONTRIBUTIONS AFTER A PRIOR TERMINATION OF MEMBERSHIP; AND

32 (II) WAS SUBJECT TO THE MODIFIED PENSION BENEFIT UNDER
33 SUBTITLE 2, PART II OF THIS TITLE WHEN THE MEMBER PREVIOUSLY TERMINATED
34 MEMBERSHIP IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.

35 (2) A MEMBER MAY NOT PURCHASE ELIGIBILITY SERVICE CREDIT THAT
36 EXCEEDS THE MEMBER'S CREDITABLE SERVICE CREDIT.

1 26-401.

2 (a) (1) Subject to paragraph (2) of this subsection, a member may retire with
3 a normal service retirement allowance if:

4 (i) on or before the date of retirement, the member:

5 1. has at least 25 years of eligibility service; or

6 2. is at least 50 years old; and

7 (ii) the member completes and submits a written application to the
8 Board of Trustees on the form that the Board of Trustees provides stating the date
9 when the member desires to retire.

10 (2) A member may not retire before the first day of the month after
11 employment ends.

12 (b) (1) Except as provided in [paragraph] PARAGRAPHS (2) AND (3) of this
13 subsection, on retirement under this section, a member is entitled to receive a normal
14 service retirement allowance that equals the number of years of the member's
15 creditable service multiplied by[:

16 (i) 1% of the member's average final compensation that is not in
17 excess of the Social Security integration level; and

18 (ii) 1.7% of the member's average final compensation that exceeds
19 the Social Security integration level] 2% OF THE MEMBER'S AVERAGE FINAL
20 COMPENSATION.

21 (2) A MEMBER'S NORMAL SERVICE RETIREMENT ALLOWANCE UNDER
22 PARAGRAPH (1) OF THIS SUBSECTION MAY NOT EXCEED 60% OF THE MEMBER'S
23 AVERAGE FINAL COMPENSATION.

24 (3) (I) THIS PARAGRAPH APPLIES ONLY TO A MEMBER WHO IS NOT
25 SUBJECT TO THE LAW ENFORCEMENT OFFICERS' MODIFIED PENSION BENEFIT
26 UNDER SUBTITLE 2, PART II OF THIS TITLE.

27 (II) [As to a member who has transferred from the Employees'
28 Retirement System and who has elected Selection A (Additional member
29 contributions) or Selection B (Limited cost-of-living adjustment), on] ON retirement
30 under this [section] PARAGRAPH, the member is entitled to receive a normal service
31 retirement allowance that equals:

32 1. 2% of the member's average final compensation multiplied
33 by each year of the member's first 30 years of creditable service; and

34 2. 1% of the member's average final compensation multiplied
35 by each year of creditable service in excess of 30 years.

36 [(c) (1) This subsection applies only to a member who:

1 (i) has retired under subsection (b)(1) of this section; and

2 (ii) is under the age of 62 years.

3 (2) On retirement, a member shall receive a supplemental service
4 retirement allowance that equals the difference between:

5 (i) the member's normal service retirement allowance; and

6 (ii) 1.7% of the member's average final compensation for each year
7 of creditable service.]

8 29-104.

9 (a) Except as provided in subsection (c) of this section and subject to
10 subsection (d) of this section, an application for disability retirement must be
11 submitted before the date membership ends.

12 (b) (1) (I) This subsection applies only to an application for an ordinary or
13 accidental disability retirement allowance under the Employees' Pension System,
14 Local Fire and Police System, Law Enforcement Officers' Pension System, or the
15 Teachers' Pension System.

16 (II) THIS SUBSECTION DOES NOT APPLY TO A MEMBER OF THE LAW
17 ENFORCEMENT OFFICERS' PENSION SYSTEM WHO IS SUBJECT TO THE LAW
18 ENFORCEMENT OFFICERS' MODIFIED PENSION BENEFIT UNDER TITLE 26, SUBTITLE
19 2, PART II OF THIS ARTICLE.

20 (2) For the purpose of submitting an application for disability,
21 membership continues for 3 years after paid employment ends.

22 (c) (1) Except as provided in [paragraph] PARAGRAPHS (2) AND (3) of this
23 subsection, the Board of Trustees may accept an application for ordinary, accidental,
24 or special disability retirement from a former member within 36 months after the
25 month membership ended if the former member proves to the satisfaction of the
26 medical board that failure to submit an application while a member was attributable
27 solely to physical or mental incapacity during the filing period.

28 (2) The Board of Trustees may accept an application for ordinary or
29 accidental disability retirement from a former member of the Teachers' Retirement
30 System within 12 months after the month membership ended if the former member of
31 the Teachers' Retirement System proves to the satisfaction of the medical board that
32 failure to submit an application while a member of the Teachers' Retirement System
33 was attributable solely to physical or mental incapacity during the filing period.

34 (3) (I) THIS PARAGRAPH APPLIES ONLY TO A FORMER MEMBER OF
35 THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM WHO IS SUBJECT TO THE LAW
36 ENFORCEMENT OFFICERS' MODIFIED PENSION BENEFIT UNDER TITLE 26, SUBTITLE
37 2, PART II OF THIS ARTICLE.

1 (II) THE BOARD OF TRUSTEES MAY ACCEPT AN APPLICATION FOR
2 ORDINARY OR ACCIDENTAL DISABILITY RETIREMENT FROM A FORMER MEMBER OF
3 THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM WITHIN 24 MONTHS AFTER
4 THE MONTH MEMBERSHIP ENDED IF THE FORMER MEMBER OF THE LAW
5 ENFORCEMENT OFFICERS' PENSION SYSTEM PROVES TO THE SATISFACTION OF THE
6 MEDICAL BOARD THAT FAILURE TO SUBMIT AN APPLICATION WHILE A MEMBER OF
7 THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM WAS ATTRIBUTABLE SOLELY
8 TO PHYSICAL OR MENTAL INCAPACITY DURING THE FILING PERIOD.

9 (4) If the Board of Trustees accepts a disability retirement application
10 under this subsection and grants a disability retirement allowance, the retirement
11 allowance begins as of the first day of the month after the Board of Trustees receives
12 the application.

13 (d) (1) This subsection does not apply to an application for special disability
14 under the State Police Retirement System OR AN APPLICATION FOR ACCIDENTAL
15 DISABILITY UNDER THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.

16 (2) The Board of Trustees may not accept an application for accidental
17 disability filed by a member or former member more than 5 years after the date of the
18 claimed accident.

19 29-109.

20 (a) This section does not apply to the State Police Retirement System.

21 (b) [The] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE
22 Board of Trustees shall grant an accidental disability retirement allowance to a
23 member if:

24 (1) the member is totally and permanently incapacitated for duty as the
25 natural and proximate result of an accident that occurred in the actual performance
26 of duty at a definite time and place without willful negligence by the member; and

27 (2) the medical board certifies that:

28 (i) the member is mentally or physically incapacitated for the
29 further performance of the normal duties of the member's position;

30 (ii) the incapacity is likely to be permanent; and

31 (iii) the member should be retired.

32 (C) THE BOARD OF TRUSTEES SHALL GRANT AN ACCIDENTAL DISABILITY
33 RETIREMENT ALLOWANCE TO A MEMBER OF THE LAW ENFORCEMENT OFFICERS'
34 PENSION SYSTEM IF:

35 (1) THE MEMBER IS TOTALLY AND PERMANENTLY INCAPACITATED FOR
36 DUTY ARISING OUT OF OR IN THE COURSE OF THE ACTUAL PERFORMANCE OF DUTY
37 WITHOUT WILLFUL NEGLIGENCE BY THE MEMBER; AND

1 (2) THE MEDICAL BOARD CERTIFIES THAT:

2 (I) THE MEMBER IS TOTALLY INCAPACITATED, EITHER MENTALLY
3 OR PHYSICALLY, FOR THE FURTHER PERFORMANCE OF DUTY;

4 (II) THE INCAPACITY IS LIKELY TO BE PERMANENT; AND

5 (III) THE MEMBER SHOULD BE RETIRED.

6 29-303.

7 (a) This section applies only to members of:

8 (1) the Employees' Pension System;

9 (2) the Local Fire and Police System;

10 (3) the Law Enforcement Officers' Pension System; or

11 (4) the Teachers' Pension System.

12 (b) A member is eligible to receive a vested allowance if:

13 (1) the member separated from employment other than by death or
14 retirement; and

15 (2) the member has at least 5 years of eligibility service.

16 (c) Except as provided in subsections (e), [and] (f), AND (G) of this section, a
17 vested allowance:

18 (1) is a deferred allowance that begins at normal retirement age;

19 (2) is computed as a normal service retirement allowance on the basis of
20 the member's average final compensation and eligibility service at separation from
21 employment; and

22 (3) may be paid in one of the optional forms of allowances under §
23 21-403 of this article.

24 (d) If a member of the Employees' Pension System or the Teachers' Pension
25 System separated from employment on or before June 30, 1990, unused sick leave
26 reported by the member's employer at the time of separation from employment is
27 creditable service for computing the vested allowance.

28 (e) Except as provided in subsection (f) of this section, a former member of the
29 Employees' Pension System or the Teachers' Pension System who has separated from
30 employment before the age of 55 with at least 15 years of eligibility service is eligible
31 to receive a vested allowance that:

1 (1) begins on the first day of the month following the member's 55th
2 birthday; and

3 (2) equals the reduced allowance computed under § 23-402 of this
4 article.

5 (f) (1) The vested allowance of a former member of the Employees' Pension
6 System or the Teachers' Pension System who separates from employment on or before
7 June 30, 1998:

8 (i) is a deferred allowance that begins at normal retirement age;

9 (ii) is computed on the basis of the member's average final
10 compensation and eligibility service at separation from employment;

11 (iii) shall equal the number of years of the member's creditable
12 service multiplied by:

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

15 2. 1.5% of the member's average final compensation that
16 exceeds the Social Security integration level; and

17 (iv) may be paid in one of the optional forms of allowances under §
18 21-403 of this article.

19 (2) A former member of the Employees' Pension System or the Teachers'
20 Pension System who has separated from employment on or before June 30, 1998 and
21 before the age of 55 with at least 15 years of eligibility service is eligible to receive a
22 vested allowance that:

23 (i) begins on the first day of the month following the member's
24 55th birthday; and

25 (ii) equals the allowance under paragraph (1) of this subsection,
26 reduced by 0.5% for each month that the member's early retirement date precedes the
27 date the member will be 62 years old.

28 (g) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION AND
29 SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE VESTED ALLOWANCE OF A
30 FORMER MEMBER OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM WHO
31 SEPARATES FROM EMPLOYMENT ON OR BEFORE JUNE 30, 2000:

32 (I) IS A DEFERRED ALLOWANCE THAT BEGINS AT NORMAL
33 RETIREMENT AGE;

34 (II) IS COMPUTED ON THE BASIS OF THE MEMBER'S AVERAGE
35 FINAL COMPENSATION AND ELIGIBILITY SERVICE AT SEPARATION FROM
36 EMPLOYMENT; AND

1 (III) SHALL EQUAL THE NUMBER OF YEARS OF THE MEMBER'S
2 CREDITABLE SERVICE MULTIPLIED BY:

3 1. 1% OF THE MEMBER'S AVERAGE FINAL COMPENSATION
4 THAT IS NOT IN EXCESS OF THE SOCIAL SECURITY INTEGRATION LEVEL; AND

5 2. 1.7% OF THE MEMBER'S AVERAGE FINAL COMPENSATION
6 THAT EXCEEDS THE SOCIAL SECURITY INTEGRATION LEVEL.

7 (2) (I) THIS SUBSECTION APPLIES ONLY TO A FORMER MEMBER OF
8 THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM WHO:

9 1. TRANSFERRED TO THE LAW ENFORCEMENT OFFICERS'
10 PENSION SYSTEM FROM THE EMPLOYEES' RETIREMENT SYSTEM; AND

11 2. SEPARATES FROM EMPLOYMENT ON OR BEFORE JUNE 30,
12 2000.

13 (II) THE VESTED ALLOWANCE OF A FORMER MEMBER:

14 1. IS A DEFERRED ALLOWANCE THAT BEGINS AT NORMAL
15 RETIREMENT AGE;

16 2. IS COMPUTED ON THE BASIS OF THE MEMBER'S AVERAGE
17 FINAL COMPENSATION AND ELIGIBILITY SERVICE AT SEPARATION FROM
18 EMPLOYMENT; AND

19 3. SHALL EQUAL:

20 A. 2% OF THE MEMBER'S AVERAGE FINAL COMPENSATION
21 MULTIPLIED BY EACH YEAR OF THE MEMBER'S FIRST 30 YEARS OF CREDITABLE
22 SERVICE; AND

23 B. 1% OF THE MEMBER'S AVERAGE FINAL COMPENSATION
24 MULTIPLIED BY EACH YEAR OF CREDITABLE SERVICE IN EXCESS OF 30 YEARS.

25 (3) (I) THIS PARAGRAPH APPLIES ONLY TO A FORMER MEMBER WHO
26 IS:

27 1. RECEIVING A DEFERRED ALLOWANCE UNDER
28 PARAGRAPH (1) OF THIS SUBSECTION; AND

29 2. UNDER THE AGE OF 62 YEARS.

30 (II) ON RECEIPT OF A VESTED ALLOWANCE, A FORMER MEMBER
31 SHALL RECEIVE A SUPPLEMENTAL DEFERRED ALLOWANCE THAT EQUALS THE
32 DIFFERENCE BETWEEN:

33 1. THE FORMER MEMBER'S VESTED ALLOWANCE; AND

1 2. 1.7% OF THE MEMBER'S AVERAGE FINAL COMPENSATION
2 FOR EACH YEAR OF CREDITABLE SERVICE.

3 (III) PAYMENT OF THE SUPPLEMENTAL DEFERRED ALLOWANCE
4 ENDS WHEN THE FORMER MEMBER:

5 1. ATTAINS THE AGE OF 62 YEARS; OR

6 2. DIES.

7 (H) (1) If a former member who elected a vested allowance requests the
8 return of accumulated contributions before payment of the vested allowance begins,
9 the Board of Trustees shall return the accumulated contributions to the former
10 member.

11 (2) (I) [When] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
12 PARAGRAPH, WHEN the former member is eligible to begin receiving a vested
13 allowance, the former member shall receive a pension only.

14 (II) WHEN ACCUMULATED CONTRIBUTIONS ARE RETURNED TO A
15 FORMER MEMBER OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM WHO IS
16 SUBJECT TO THE LAW ENFORCEMENT OFFICERS' MODIFIED PENSION BENEFIT
17 UNDER TITLE 26, SUBTITLE 2, PART II OF THIS ARTICLE, THE FORMER MEMBER IS
18 NOT ENTITLED TO FURTHER BENEFITS ON ACCOUNT OF THE FORMER MEMBER'S
19 PREVIOUS MEMBERSHIP UNLESS THE FORMER MEMBER PURCHASES THE SERVICE
20 CREDIT UNDER § 26-307.1 OF THIS ARTICLE.

21 29-404.

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

25 (1) the Employees' Pension System if the deceased member, former
26 member, or retiree was an employee of a participating governmental unit or a former
27 participating governmental unit that has withdrawn while a member; OR

28 (2) the Local Fire and Police System[; or

29 (3) the Law Enforcement Officers' Pension System].

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

32 29-425.

33 (a) This Part VI of this subtitle applies:

34 (1) on or after July 1, 1998 only to an allowance received by a former
35 member, retiree, or surviving beneficiary of a deceased member, former member, or
36 retiree of the Employees' Pension System or the Teachers' Pension System who:

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

3 [(2)] (II) transferred from the Employees' Retirement System or the
4 Teachers' Retirement System to the Employees' Pension System or the Teachers'
5 Pension System after April 1, 1998; AND

6 (2) ON OR AFTER DECEMBER 31, 2000, TO AN ALLOWANCE RECEIVED BY
7 A FORMER MEMBER, RETIREE, OR SURVIVING BENEFICIARY OF A DECEASED
8 MEMBER, FORMER MEMBER, OR RETIREE OF THE LAW ENFORCEMENT OFFICERS'
9 PENSION SYSTEM.

10 (b) This Part VI of this subtitle does not apply if:

11 (1) the member, former member, or retiree was an employee of:

12 [(1)] (I) a participating governmental unit that has not elected the
13 contributory pension benefit of its employees under § 31-116 of this article; or

14 [(2)] (II) a former participating governmental unit that has withdrawn
15 while a member; OR

16 (2) THE MEMBER, FORMER MEMBER, OR RETIREE:

17 (I) TRANSFERRED TO THE LAW ENFORCEMENT OFFICERS'
18 PENSION SYSTEM FROM THE EMPLOYEES' RETIREMENT SYSTEM; AND

19 (II) DID NOT ELECT TO PARTICIPATE IN THE LAW ENFORCEMENT
20 OFFICERS' MODIFIED PENSION BENEFIT ON OR BEFORE DECEMBER 31, 2000 AS
21 PROVIDED IN § 26-211 OF THIS ARTICLE.

22 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
23 read as follows:

24 **Article - State Personnel and Pensions**

25 26-401.1.

26 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
27 INDICATED.

28 (2) "DROP" MEANS THE DEFERRED RETIREMENT OPTION PROGRAM
29 ESTABLISHED UNDER THIS SECTION.

30 (3) "DROP MEMBER" MEANS A MEMBER OF THE LAW ENFORCEMENT
31 OFFICERS' PENSION SYSTEM WHO:

32 (I) IS ELIGIBLE TO PARTICIPATE IN THE DROP AS PROVIDED IN
33 SUBSECTION (C) OF THIS SECTION; AND

1 (II) ELECTS TO PARTICIPATE IN THE DROP AS PROVIDED IN
2 SUBSECTION (E) OF THIS SECTION.

3 (B) THERE IS A DROP FOR ELIGIBLE MEMBERS OF THE LAW ENFORCEMENT
4 OFFICERS' PENSION SYSTEM.

5 (C) A MEMBER OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM IS
6 ELIGIBLE TO PARTICIPATE IN THE DROP IF THE MEMBER HAS AT LEAST 25 AND LESS
7 THAN 30 YEARS OF ELIGIBILITY SERVICE.

8 (D) AN ELIGIBLE MEMBER MAY ELECT TO PARTICIPATE IN THE DROP FOR A
9 PERIOD NOT TO EXCEED THE LESSER OF:

10 (1) 5 YEARS;

11 (2) THE DIFFERENCE BETWEEN 30 YEARS AND THE MEMBER'S
12 ELIGIBILITY SERVICE AS OF THE DATE OF THE MEMBER'S ELECTION TO
13 PARTICIPATE IN THE DROP AND RETIRE FROM THE LAW ENFORCEMENT OFFICERS'
14 PENSION SYSTEM; OR

15 (3) A TERM SELECTED BY THE MEMBER.

16 (E) (1) AN ELIGIBLE MEMBER WHO ELECTS TO PARTICIPATE IN THE DROP
17 SHALL:

18 (I) COMPLETE AND SUBMIT A WRITTEN ELECTION FORM TO THE
19 BOARD OF TRUSTEES, ON THE FORM THAT THE BOARD OF TRUSTEES PROVIDES,
20 STATING:

21 1. THE MEMBER'S INTENTION TO PARTICIPATE IN THE
22 DROP;

23 2. THE DATE WHEN THE MEMBER DESIRES TO RETIRE;

24 3. THE PERIOD THAT THE MEMBER DESIRES TO
25 PARTICIPATE IN THE DROP, AS PROVIDED IN SUBSECTION (D) OF THIS SECTION;

26 4. THE DATE WHEN THE MEMBER INTENDS TO TERMINATE
27 EMPLOYMENT WITH THE STATE IN THE FORM OF A BINDING LETTER OF
28 RESIGNATION ACCEPTED BY THE SECRETARY OR THE SECRETARY'S DESIGNEE OF
29 THE DEPARTMENT FOR WHICH THE MEMBER IS EMPLOYED; AND

30 5. ANY OTHER INFORMATION REQUIRED BY THE BOARD OF
31 TRUSTEES TO IMPLEMENT THE DROP; AND

32 (II) COMPLETE AND SUBMIT A WRITTEN RETIREMENT
33 APPLICATION FORM TO THE BOARD OF TRUSTEES, ON THE FORM THAT THE BOARD
34 OF TRUSTEES PROVIDES.

35 (2) AN ELIGIBLE MEMBER'S ELECTION TO PARTICIPATE IN THE DROP IS
36 IRREVOCABLE.

1 (F) (1) A DROP MEMBER'S PARTICIPATION IN THE DROP SHALL COMMENCE
2 ON THE FIRST DAY OF THE MONTH FOLLOWING ACCEPTANCE BY THE BOARD OF
3 TRUSTEES OF THE DROP MEMBER'S COMPLETED ELECTION FORM, RETIREMENT
4 APPLICATION FORM, AND ANY OTHER INFORMATION REQUIRED BY THE BOARD OF
5 TRUSTEES.

6 (2) A DROP MEMBER IS A RETIREE OF THE LAW ENFORCEMENT
7 OFFICERS' PENSION SYSTEM.

8 (G) PARTICIPATION IN THE DROP ENDS IF THE DROP PARTICIPANT:

9 (1) SEPARATES FROM EMPLOYMENT IN ACCORDANCE WITH THE
10 BINDING LETTER OF RESIGNATION SUBMITTED WITH THE MEMBER'S ELECTION
11 FORM;

12 (2) DIES;

13 (3) IS TERMINATED FROM EMPLOYMENT BY THE DROP MEMBER'S
14 PARTICIPATING EMPLOYER AT ANY TIME BEFORE THE DATE SPECIFIED ON THE
15 MEMBER'S ELECTION FORM;

16 (4) SHORTENS THE TIME PERIOD FOR PARTICIPATION IN THE DROP BY
17 DELIVERING TO THE DROP MEMBER'S PARTICIPATING EMPLOYER AND THE BOARD
18 OF TRUSTEES WRITTEN NOTICE OF THE INTENT OF THE DROP MEMBER TO
19 TERMINATE EMPLOYMENT; OR

20 (5) ACCEPTS AN ACCIDENTAL DISABILITY RETIREMENT ALLOWANCE AS
21 PROVIDED IN SUBSECTION (K) OF THIS SECTION.

22 (H) (1) AS OF THE EFFECTIVE DATE OF PARTICIPATION IN THE DROP, THE
23 BOARD OF TRUSTEES SHALL DETERMINE THE DROP MEMBER'S NORMAL SERVICE
24 RETIREMENT ALLOWANCE UNDER § 26-401 OF THIS SUBTITLE.

25 (2) DURING THE PERIOD THAT A DROP MEMBER PARTICIPATES IN THE
26 DROP, THE BOARD OF TRUSTEES SHALL:

27 (I) DEPOSIT THE DROP MEMBER'S NORMAL SERVICE RETIREMENT
28 ALLOWANCE IN THE DROP FOR THE DROP MEMBER'S BENEFIT;

29 (II) ADJUST THE DROP MEMBER'S NORMAL SERVICE RETIREMENT
30 ALLOWANCE EACH FISCAL YEAR AS PROVIDED IN TITLE 29, SUBTITLE 4, PART VI OF
31 THIS ARTICLE; AND

32 (III) ACCRUE INTEREST ON THE AMOUNTS CALCULATED UNDER
33 SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH FOR THE DROP MEMBER INTO THE
34 DROP AT THE RATE OF 6% A YEAR, COMPOUNDED MONTHLY.

35 (3) A DROP MEMBER MAY NOT RECEIVE CREDITABLE SERVICE OR
36 ELIGIBILITY SERVICE DURING THE PERIOD THAT THE DROP MEMBER PARTICIPATES
37 IN THE DROP.

1 (4) A DROP MEMBER'S COMPENSATION DURING THE PERIOD THAT THE
2 DROP MEMBER PARTICIPATES IN THE DROP MAY NOT BE:

3 (I) SUBJECT TO THE EMPLOYER PICKUP PROVISIONS OF § 21-303
4 OF THIS ARTICLE OR ANY REDUCTION OR DEDUCTION AS A MEMBER CONTRIBUTION
5 FOR PENSION OR RETIREMENT PURPOSES; OR

6 (II) USED TO INCREASE THE DROP MEMBER'S AVERAGE FINAL
7 COMPENSATION EXCEPT AS PROVIDED IN SUBSECTION (K) OF THIS SECTION.

8 (5) DURING THE PERIOD THAT A DROP MEMBER PARTICIPATES IN THE
9 DROP, THE DROP MEMBER SHALL:

10 (I) CONTINUE TO RECEIVE COMPENSATION, HEALTH INSURANCE,
11 AND OTHER BENEFIT OPTIONS ESTABLISHED UNDER THE STATE EMPLOYEE AND
12 RETIREE HEALTH AND WELFARE BENEFIT PROGRAM ADMINISTERED BY THE
13 SECRETARY OF THE DEPARTMENT OF BUDGET AND MANAGEMENT, AND ANY OTHER
14 BENEFITS AS AN EMPLOYEE OF THE STATE;

15 (II) BE SUBJECT TO THE PERSONNEL LAW, REGULATIONS, AND
16 POLICIES APPLICABLE TO AN EMPLOYEE OF THE STATE AGENCY FOR WHICH THE
17 MEMBER IS EMPLOYED; AND

18 (III) RECEIVE RETIREMENT BENEFITS ONLY TO THE EXTENT
19 PROVIDED IN THIS SECTION.

20 (6) THE BOARD OF TRUSTEES IS NOT REQUIRED TO ESTABLISH AN
21 INDIVIDUAL DROP ACCOUNT FOR EACH DROP MEMBER.

22 (7) EACH YEAR, THE BOARD OF TRUSTEES SHALL PROVIDE A DROP
23 MEMBER WITH A WRITTEN ACCOUNTING OF THE DROP MEMBER'S ACCOUNT
24 BALANCE IN THE DROP.

25 (I) (1) SUBJECT TO PARAGRAPHS (2), (3), AND (4) OF THIS SUBSECTION, ON
26 TERMINATION OF A DROP MEMBER'S PARTICIPATION IN THE DROP, THE BOARD OF
27 TRUSTEES SHALL PAY TO THE DROP MEMBER OR, IF THE DROP MEMBER HAS DIED,
28 THE DESIGNATED BENEFICIARY OF THE DROP MEMBER, THE AMOUNT ACCRUED IN
29 THE DROP FOR THE DROP MEMBER UNDER SUBSECTION (H)(2) OF THIS SECTION,
30 REDUCED BY ANY WITHHOLDING TAXES REMITTED TO THE INTERNAL REVENUE
31 SERVICE OR OTHER TAXING AUTHORITY, IN A LUMP SUM.

32 (2) THE DESIGNATED BENEFICIARY OF A DROP MEMBER IS:

33 (I) THE DROP MEMBER'S SURVIVING SPOUSE;

34 (II) IF THERE IS NOT A SURVIVING SPOUSE OR IF THE SURVIVING
35 SPOUSE DIES BEFORE THE YOUNGEST CHILD IS 18 YEARS OLD, EACH CHILD OF THE
36 DECEASED DROP MEMBER WHO IS UNDER 18 YEARS OLD; OR

1 (III) IF THERE IS NOT A SURVIVING SPOUSE OR A CHILD WHO IS
2 UNDER 18 YEARS OLD, THE PERSON NAMED AS A BENEFICIARY IN AN
3 ACKNOWLEDGED WRITTEN DESIGNATION FILED WITH THE BOARD OF TRUSTEES BY
4 THE DROP MEMBER.

5 (3) A DROP MEMBER OR DESIGNATED BENEFICIARY OF A DROP MEMBER
6 MAY DIRECT THE BOARD OF TRUSTEES TO PAY ALL OR A PORTION OF THE AMOUNT
7 ACCRUED FOR THE DROP MEMBER'S BENEFIT UNDER SUBSECTION (H)(2) OF THIS
8 SECTION DIRECTLY TO THE CUSTODIAN OF AN ELIGIBLE RETIREMENT PLAN AS
9 PROVIDED IN TITLE 21, SUBTITLE 6 OF THIS ARTICLE.

10 (4) A DROP MEMBER OR DESIGNATED BENEFICIARY OF A DROP MEMBER
11 IS ELIGIBLE TO RECEIVE THE AMOUNT DUE UNDER THIS SUBSECTION WITHIN 90
12 DAYS AFTER:

13 (I) THE DATE OF TERMINATION OF THE DROP MEMBER'S
14 PARTICIPATION IN THE DROP;

15 (II) THE RECEIPT BY THE BOARD OF TRUSTEES OF A COMPLETED
16 APPLICATION TO RECEIVE THE DROP AMOUNT, ON THE FORM THAT THE BOARD OF
17 TRUSTEES PROVIDES; AND

18 (III) THE RECEIPT BY THE BOARD OF TRUSTEES OF ANY OTHER
19 INFORMATION THAT THE BOARD OF TRUSTEES REQUIRES TO PROCESS PAYMENT OF
20 THE DROP MEMBER'S ACCOUNT BALANCE TO THE DROP PARTICIPANT, THE
21 DESIGNATED BENEFICIARY OF THE DROP PARTICIPANT, OR THE CUSTODIAN OF AN
22 ELIGIBLE RETIREMENT PLAN.

23 (J) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AS
24 OF THE FIRST DAY OF THE MONTH FOLLOWING TERMINATION OF A DROP MEMBER'S
25 PARTICIPATION IN THE DROP, THE BOARD OF TRUSTEES SHALL COMMENCE AND
26 CONTINUE PAYMENT OF THE NORMAL SERVICE RETIREMENT ALLOWANCE,
27 INCLUDING THE COST-OF-LIVING ADJUSTMENTS AS PROVIDED IN TITLE 29,
28 SUBTITLE 4, PART VI OF THIS ARTICLE, TO THE MEMBER AS PROVIDED IN §§ 26-401
29 AND 26-402 OF THIS SUBTITLE.

30 (2) IF A DROP MEMBER DIES BEFORE TERMINATION OF THE DROP
31 MEMBER'S PARTICIPATION IN THE DROP, THE BOARD OF TRUSTEES SHALL PAY 50%
32 OF THE NORMAL SERVICE RETIREMENT ALLOWANCE, INCLUDING THE
33 COST-OF-LIVING ADJUSTMENTS AS PROVIDED IN TITLE 29, SUBTITLE 4, PART VI OF
34 THIS ARTICLE, TO THE BENEFICIARY AS PROVIDED IN § 26-402 OF THIS SUBTITLE.

35 (K) (1) A DROP MEMBER IS ELIGIBLE TO APPLY FOR AN ACCIDENTAL
36 DISABILITY RETIREMENT ALLOWANCE UNDER § 29-109 OF THIS ARTICLE.

37 (2) IF THE BOARD OF TRUSTEES GRANTS A DROP MEMBER AN
38 ACCIDENTAL DISABILITY RETIREMENT ALLOWANCE, THE DROP MEMBER MAY ELECT
39 TO RECEIVE THE ACCIDENTAL DISABILITY RETIREMENT ALLOWANCE OR CONTINUE
40 TO PARTICIPATE IN THE DROP.

1 (3) (I) IF A DROP MEMBER ELECTS TO RECEIVE A DISABILITY
2 RETIREMENT ALLOWANCE INSTEAD OF CONTINUING TO PARTICIPATE IN THE DROP,
3 THE DROP MEMBER SHALL:

4 1. SUBMIT AN APPLICATION TO THE BOARD OF TRUSTEES,
5 ON THE FORM THE BOARD OF TRUSTEES PROVIDES, TO RECEIVE PAYMENT OF THE
6 AMOUNT ACCRUED IN THE DROP IN ACCORDANCE WITH SUBSECTION (I) OF THIS
7 SECTION;

8 2. EXECUTE A WRITTEN WAIVER OF ANY BENEFITS TO
9 WHICH THE DROP MEMBER MAY BE ENTITLED UNDER THE DROP; AND

10 3. SUBMIT AN APPLICATION TO RETIRE WITH AN
11 ACCIDENTAL DISABILITY RETIREMENT ALLOWANCE, ON THE FORM THE BOARD OF
12 TRUSTEES PROVIDES, STATING THE EFFECTIVE DATE OF THE DROP MEMBER'S
13 RETIREMENT AS AN ACCIDENTAL DISABILITY RETIREE.

14 (II) ON ACCEPTANCE OF THE APPLICATION FOR PAYMENT AND
15 APPLICATION TO RETIRE, THE BOARD OF TRUSTEES SHALL COMMENCE PAYMENT OF
16 AN ACCIDENTAL DISABILITY ALLOWANCE TO THE DROP MEMBER AS PROVIDED IN §
17 29-110 OF THIS ARTICLE, EXCEPT THAT THE DROP MEMBER'S AVERAGE FINAL
18 COMPENSATION SHALL BE COMPUTED AS OF THE EFFECTIVE DATE OF THE DROP
19 MEMBER'S APPLICATION FOR AN ACCIDENTAL DISABILITY RETIREMENT
20 ALLOWANCE.

21 SECTION 4. AND BE IT FURTHER ENACTED, That, on or before July 1, 2000,
22 the State Retirement Agency shall request a determination letter from the Internal
23 Revenue Service that confirms the continued qualification under § 401 of the Internal
24 Revenue Code of the Law Enforcement Officers' Pension System, as amended by the
25 Deferred Retirement Option Program established under Section 3 of this Act.

26 SECTION 5. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
27 take effect contingent on receipt of a determination letter from the Internal Revenue
28 Service that confirms that the Law Enforcement Officers' Pension System, as
29 amended by the Deferred Retirement Option Program, is a qualified plan under § 401
30 of the Internal Revenue Act. If a favorable determination letter is received, Section 3
31 of this Act shall take effect the first day of the month after the State Retirement
32 Agency receives the letter. If the State Retirement Agency does not receive a favorable
33 determination letter, Section 3 of this Act, with no further action required by the
34 General Assembly, shall be null and void and of no further force and effect. The State
35 Retirement Agency, within 5 days after receiving the determination letter from the
36 Internal Revenue Service, shall forward a copy of the ruling to the Department of
37 Legislative Services, 90 State Circle, Annapolis, Maryland 21401.

38 SECTION 6. AND BE FURTHER ENACTED, That, subject to the provisions of
39 Section 5 above, this Act shall take effect July 1, 2000.