
By: **Senators Hoffman and McFadden**
Introduced and read first time: February 24, 2000
Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Teachers' Retirement and Pension Systems - Employment by Private**
3 **Contractors**

4 FOR the purpose of authorizing certain members of the Teachers' Retirement System
5 and the Teachers' Pension System who become employed by certain private
6 contractors the right to withdraw their accumulated contributions; authorizing
7 certain reinstatement rights for certain prior members of the Teachers'
8 Retirement System and the Teachers' Pension System; authorizing certain
9 former members to purchase service credit under certain circumstances; and
10 generally relating to members of the Teachers' Retirement System and the
11 Teachers' Pension System who are employed by certain private contractors.

12 BY adding to
13 Article - State Personnel and Pensions
14 Section 22-216 and 23-214
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 22-216 and 23-214
20 Annotated Code of Maryland
21 (1997 Replacement Volume and 1999 Supplement)

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

24 **Article - State Personnel and Pensions**

25 22-216.

26 (A) THIS SECTION APPLIES TO AN INDIVIDUAL WHO IS:

27 (1) A MEMBER OF THE TEACHERS' RETIREMENT SYSTEM;

1 (2) AN EMPLOYEE OF THE NEW BALTIMORE CITY BOARD OF SCHOOL
2 COMMISSIONERS OR ANOTHER COUNTY BOARD OF EDUCATION; AND

3 (3) HIRED BY A THIRD PARTY CONTRACTOR TO WORK IN A SCHOOL THAT
4 IS RECONSTITUTED BY ORDER OF THE MARYLAND STATE BOARD OF EDUCATION.

5 (B) AN INDIVIDUAL WHO IS HIRED BY A THIRD PARTY CONTRACTOR MAY
6 WITHDRAW THE MEMBER'S ACCUMULATED CONTRIBUTIONS, WITHIN THE MEANING
7 OF § 20-101(B) OF THIS ARTICLE, AT ANY TIME WHILE THE INDIVIDUAL IS EMPLOYED
8 BY THE THIRD PARTY CONTRACTOR TO WORK IN A SCHOOL THAT IS RECONSTITUTED
9 BY ORDER OF THE MARYLAND STATE BOARD OF EDUCATION.

10 (C) AN INDIVIDUAL WHO IS HIRED BY A THIRD PARTY CONTRACTOR AND
11 SUBSEQUENTLY BECOMES EMPLOYED BY THE NEW BALTIMORE CITY BOARD OF
12 SCHOOL COMMISSIONERS OR ANOTHER COUNTY BOARD OF EDUCATION AT ANY
13 TIME WHILE THE ORDER OF RECONSTITUTION IS IN EFFECT AND ON TERMINATION
14 OF THE CONTRACT WITH THE THIRD PARTY CONTRACTOR:

15 (1) IS NOT SUBJECT TO THE PROVISIONS OF § 22-217 OF THIS SUBTITLE;

16 (2) SHALL BE REINSTATED AS A MEMBER OF THE TEACHERS'
17 RETIREMENT SYSTEM;

18 (3) SHALL BE ENTITLED TO RESTORATION OF ANY SERVICE CREDIT TO
19 WHICH THE INDIVIDUAL WAS ENTITLED BEFORE EMPLOYMENT BY THE THIRD
20 PARTY CONTRACTOR WHETHER OR NOT THE INDIVIDUAL WAS VESTED; AND

21 (4) SHALL REDEPOSIT ANY OF THE AMOUNTS WITHDRAWN UNDER
22 SUBSECTION (B) OF THIS SECTION WITH REGULAR INTEREST TO THE DATE OF
23 REDEPOSIT OR, ON RETIREMENT, THE INDIVIDUAL'S RETIREMENT ALLOWANCE
24 SHALL BE REDUCED BY THE ACTUARIAL EQUIVALENT OF THE ACCUMULATED
25 CONTRIBUTIONS WITHDRAWN WITH REGULAR INTEREST TO THE DATE OF
26 RETIREMENT.

27 (D) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, AT ANY TIME
28 BEFORE RETIREMENT, AN INDIVIDUAL MAY PURCHASE SERVICE CREDIT FOR A
29 PERIOD OF EMPLOYMENT BY A THIRD PARTY CONTRACTOR TO WORK IN A SCHOOL
30 THAT IS RECONSTITUTED BY ORDER OF THE MARYLAND STATE BOARD OF
31 EDUCATION IF THE INDIVIDUAL:

32 (1) COMPLETES A CLAIM FOR THE SERVICE CREDIT AND FILES IT WITH
33 THE BOARD OF TRUSTEES ON A FORM THAT THE BOARD OF TRUSTEES PROVIDES;
34 AND

35 (2) PAYS TO THE BOARD OF TRUSTEES IN A SINGLE PAYMENT THE
36 MEMBER CONTRIBUTIONS THE INDIVIDUAL WOULD HAVE MADE FOR THE PERIOD OF
37 EMPLOYMENT FOR WHICH SERVICE CREDIT IS BEING PURCHASED PLUS REGULAR
38 INTEREST TO THE DATE OF PAYMENT.

1 (E) AN INDIVIDUAL MAY NOT PURCHASE MORE THAN 5 YEARS OF SERVICE
2 CREDIT FOR THE PERIOD OF EMPLOYMENT BY A THIRD PARTY CONTRACTOR TO
3 WORK IN A SCHOOL THAT IS RECONSTITUTED BY ORDER OF THE MARYLAND STATE
4 BOARD OF EDUCATION.

5 [22-216.] 22-217.

6 Membership ends if the member:

- 7 (1) is separated from employment for more than:
- 8 (i) 3 years, if a member of the Employees' Retirement System; or
- 9 (ii) 5 years, if a member of the Teachers' Retirement System;
- 10 (2) withdraws the member's accumulated contributions;
- 11 (3) transfers to the Employees' Pension System or Teachers' Pension
12 System;
- 13 (4) becomes a retiree; or
- 14 (5) dies.

15 23-214.

16 (A) THIS SECTION APPLIES TO AN INDIVIDUAL WHO IS:

- 17 (1) A MEMBER OF THE TEACHERS' PENSION SYSTEM;
- 18 (2) AN EMPLOYEE OF THE NEW BALTIMORE CITY BOARD OF SCHOOL
19 COMMISSIONERS OR ANOTHER COUNTY BOARD OF EDUCATION; AND
- 20 (3) HIRED BY A THIRD PARTY CONTRACTOR TO WORK IN A SCHOOL THAT
21 IS RECONSTITUTED BY ORDER OF THE MARYLAND STATE BOARD OF EDUCATION.

22 (B) AN INDIVIDUAL WHO IS HIRED BY A THIRD PARTY CONTRACTOR MAY
23 WITHDRAW THE MEMBER'S ACCUMULATED CONTRIBUTIONS, WITHIN THE MEANING
24 OF § 20-101(B) OF ARTICLE, AT ANY TIME WHILE THE INDIVIDUAL IS EMPLOYED BY
25 THE THIRD PARTY CONTRACTOR TO WORK IN A SCHOOL THAT IS RECONSTITUTED BY
26 ORDER OF THE MARYLAND STATE BOARD OF EDUCATION.

27 (C) AN INDIVIDUAL WHO IS HIRED BY A THIRD PARTY CONTRACTOR AND
28 SUBSEQUENTLY BECOMES EMPLOYED BY THE NEW BALTIMORE CITY BOARD OF
29 SCHOOL COMMISSIONERS OR ANOTHER COUNTY BOARD OF EDUCATION AT ANY
30 TIME WHILE THE ORDER OF RECONSTITUTION IS IN EFFECT AND ON TERMINATION
31 OF THE CONTRACT WITH THE THIRD PARTY CONTRACTOR:

- 32 (1) IS NOT SUBJECT TO THE PROVISIONS OF § 23-215 OF THIS SUBTITLE;

1 (2) SHALL BE REINSTATED AS A MEMBER OF THE TEACHERS' PENSION
2 SYSTEM;

3 (3) SHALL BE ENTITLED TO RESTORATION OF ANY SERVICE CREDIT TO
4 WHICH THE INDIVIDUAL WAS ENTITLED BEFORE EMPLOYMENT BY THE THIRD
5 PARTY CONTRACTOR WHETHER OR NOT THE INDIVIDUAL WAS VESTED; AND

6 (4) SHALL REDEPOSIT ANY OF THE AMOUNTS WITHDRAWN UNDER
7 SUBSECTION (B) OF THIS SECTION WITH REGULAR INTEREST TO THE DATE OF
8 REDEPOSIT OR, ON RETIREMENT, THE INDIVIDUAL'S RETIREMENT ALLOWANCE
9 SHALL BE REDUCED BY THE ACTUARIAL EQUIVALENT OF THE ACCUMULATED
10 CONTRIBUTIONS WITHDRAWN WITH REGULAR INTEREST TO THE DATE OF
11 RETIREMENT.

12 (D) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, AT ANY TIME
13 BEFORE RETIREMENT, AN INDIVIDUAL MAY PURCHASE SERVICE CREDIT FOR A
14 PERIOD OF EMPLOYMENT BY A THIRD PARTY CONTRACTOR TO WORK IN A SCHOOL
15 THAT IS RECONSTITUTED BY ORDER OF THE MARYLAND STATE BOARD OF
16 EDUCATION IF THE INDIVIDUAL:

17 (1) COMPLETES A CLAIM FOR THE SERVICE CREDIT AND FILES IT WITH
18 THE BOARD OF TRUSTEES ON A FORM THAT THE BOARD OF TRUSTEES PROVIDES;
19 AND

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

24 (E) AN INDIVIDUAL MAY NOT PURCHASE MORE THAN 5 YEARS OF SERVICE
25 CREDIT FOR THE PERIOD OF EMPLOYMENT BY A THIRD PARTY CONTRACTOR TO
26 WORK IN A SCHOOL THAT IS RECONSTITUTED BY ORDER OF THE MARYLAND STATE
27 BOARD OF EDUCATION.

28 [23-214.] 23-215.

29 Membership ends on separation from employment.

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