

SENATE BILL 866

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K4

2000 Regular Session
0lr2990
CF 0lr2887

By: **Senators Hoffman and McFadden**
Introduced and read first time: February 24, 2000
Assigned to: Rules
Re-referred to: Budget and Taxation, February 25, 2000

Committee Report: Favorable
Senate action: Adopted
Read second time: April 2, 2000

CHAPTER _____

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:

1 **Article - State Personnel and Pensions**

2 22-216.

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

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

5 (2) AN EMPLOYEE OF THE NEW BALTIMORE CITY BOARD OF SCHOOL
6 COMMISSIONERS OR ANOTHER COUNTY BOARD OF EDUCATION; AND7 (3) HIRED BY A THIRD PARTY CONTRACTOR TO WORK IN A SCHOOL THAT
8 IS RECONSTITUTED BY ORDER OF THE MARYLAND STATE BOARD OF EDUCATION.9 (B) AN INDIVIDUAL WHO IS HIRED BY A THIRD PARTY CONTRACTOR MAY
10 WITHDRAW THE MEMBER'S ACCUMULATED CONTRIBUTIONS, WITHIN THE MEANING
11 OF § 20-101(B) OF THIS ARTICLE, AT ANY TIME WHILE THE INDIVIDUAL IS EMPLOYED
12 BY THE THIRD PARTY CONTRACTOR TO WORK IN A SCHOOL THAT IS RECONSTITUTED
13 BY ORDER OF THE MARYLAND STATE BOARD OF EDUCATION.14 (C) AN INDIVIDUAL WHO IS HIRED BY A THIRD PARTY CONTRACTOR AND
15 SUBSEQUENTLY BECOMES EMPLOYED BY THE NEW BALTIMORE CITY BOARD OF
16 SCHOOL COMMISSIONERS OR ANOTHER COUNTY BOARD OF EDUCATION AT ANY
17 TIME WHILE THE ORDER OF RECONSTITUTION IS IN EFFECT AND ON TERMINATION
18 OF THE CONTRACT WITH THE THIRD PARTY CONTRACTOR:

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

20 (2) SHALL BE REINSTATED AS A MEMBER OF THE TEACHERS'
21 RETIREMENT SYSTEM;22 (3) SHALL BE ENTITLED TO RESTORATION OF ANY SERVICE CREDIT TO
23 WHICH THE INDIVIDUAL WAS ENTITLED BEFORE EMPLOYMENT BY THE THIRD
24 PARTY CONTRACTOR WHETHER OR NOT THE INDIVIDUAL WAS VESTED; AND25 (4) SHALL REDEPOSIT ANY OF THE AMOUNTS WITHDRAWN UNDER
26 SUBSECTION (B) OF THIS SECTION WITH REGULAR INTEREST TO THE DATE OF
27 REDEPOSIT OR, ON RETIREMENT, THE INDIVIDUAL'S RETIREMENT ALLOWANCE
28 SHALL BE REDUCED BY THE ACTUARIAL EQUIVALENT OF THE ACCUMULATED
29 CONTRIBUTIONS WITHDRAWN WITH REGULAR INTEREST TO THE DATE OF
30 RETIREMENT.31 (D) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, AT ANY TIME
32 BEFORE RETIREMENT, AN INDIVIDUAL MAY PURCHASE SERVICE CREDIT FOR A
33 PERIOD OF EMPLOYMENT BY A THIRD PARTY CONTRACTOR TO WORK IN A SCHOOL
34 THAT IS RECONSTITUTED BY ORDER OF THE MARYLAND STATE BOARD OF
35 EDUCATION IF THE INDIVIDUAL:

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

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

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

12 [22-216.] 22-217.

13 Membership ends if the member:

- 14 (1) is separated from employment for more than:
- 15 (i) 3 years, if a member of the Employees' Retirement System; or
 - 16 (ii) 5 years, if a member of the Teachers' Retirement System;
- 17 (2) withdraws the member's accumulated contributions;
- 18 (3) transfers to the Employees' Pension System or Teachers' Pension
19 System;
- 20 (4) becomes a retiree; or
- 21 (5) dies.

22 23-214.

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

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

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

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

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

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

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

12 (4) SHALL REDEPOSIT ANY OF THE AMOUNTS WITHDRAWN UNDER
13 SUBSECTION (B) OF THIS SECTION WITH REGULAR INTEREST TO THE DATE OF
14 REDEPOSIT OR, ON RETIREMENT, THE INDIVIDUAL'S RETIREMENT ALLOWANCE
15 SHALL BE REDUCED BY THE ACTUARIAL EQUIVALENT OF THE ACCUMULATED
16 CONTRIBUTIONS WITHDRAWN WITH REGULAR INTEREST TO THE DATE OF
17 RETIREMENT.

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

23 (1) COMPLETES A CLAIM FOR THE SERVICE CREDIT AND FILES IT WITH
24 THE BOARD OF TRUSTEES ON A FORM THAT THE BOARD OF TRUSTEES PROVIDES;
25 AND

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

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

34 [23-214.] 23-215.

35 Membership ends on separation from employment.

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

