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By: **Chairman, Appropriations Committee (Departmental - University  
System of Maryland, Morgan State University, St. Mary's College, and  
Baltimore City Community College)**

Introduced and read first time: January 31, 2001

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Optional Retirement Program - Employer Contribution Rate and**  
3                                   **Mandatory Employee Contributions**

4 FOR the purpose of increasing the rate of employer contributions over a certain  
5 period for participants in the optional retirement program who are employed by  
6 the University System of Maryland or its constituent institutions, Morgan State  
7 University, St. Mary's College, or Baltimore City Community College; requiring  
8 that participants in the optional retirement program who are employed by the  
9 University System of Maryland or its constituent institutions, Morgan State  
10 University, St. Mary's College, or Baltimore City Community College make  
11 certain mandatory contributions to the program; and generally relating to the  
12 optional retirement program.

13 BY repealing and reenacting, with amendments,  
14 Article - State Personnel and Pensions  
15 Section 30-205  
16 Annotated Code of Maryland  
17 (1997 Replacement Volume and 2000 Supplement)

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

20                                   **Article - State Personnel and Pensions**

21 30-205.

22       (a) Under the program, the State and the participating employees shall  
23 contribute, to the extent required, toward the purchase of annuity contracts.

24       (b) A participating employee may elect to make contributions to no more than  
25 two designated companies under the program for the same payroll period, if the  
26 Board of Trustees determines that the election of more than one designated company  
27 is administratively feasible.

1 (c) [(1) On] EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (D) OF THIS  
2 SECTION:

3 (1) ON behalf of each participating employee, the State shall contribute  
4 7.25% of the participating employee's annual earnable compensation[.]; AND

5 (2) [If] IF a participating employee's compensation is paid from special  
6 or federal funds or both, the State's contribution to the program shall be paid from  
7 those funds.

8 (D) (1) ON BEHALF OF EACH PARTICIPATING EMPLOYEE WHO IS EMPLOYED  
9 BY THE UNIVERSITY SYSTEM OF MARYLAND OR ONE OF ITS CONSTITUENT  
10 INSTITUTIONS, MORGAN STATE UNIVERSITY, ST. MARY'S COLLEGE, OR BALTIMORE  
11 CITY COMMUNITY COLLEGE, THE STATE SHALL CONTRIBUTE THE FOLLOWING  
12 PERCENT OF THE PARTICIPATING EMPLOYEE'S ANNUAL EARNABLE COMPENSATION:

13 (I) FOR CALENDAR YEAR 2002, 8.25%; AND

14 (II) FOR CALENDAR YEAR 2003 AND EACH CALENDAR YEAR  
15 THEREAFTER, 9.25%.

16 (2) IF A PARTICIPATING EMPLOYEE'S COMPENSATION IS PAID FROM  
17 SPECIAL OR FEDERAL FUNDS OR BOTH, THE STATE CONTRIBUTION TO THE  
18 PROGRAM SHALL BE PAID FROM THESE FUNDS.

19 (E) A PARTICIPATING EMPLOYEE WHO IS EMPLOYED BY THE UNIVERSITY  
20 SYSTEM OF MARYLAND OR ONE OF ITS CONSTITUENT INSTITUTIONS, MORGAN STATE  
21 UNIVERSITY, ST. MARY'S COLLEGE, OR BALTIMORE CITY COMMUNITY COLLEGE, AND  
22 FOR WHOM THE STATE CONTRIBUTES UNDER SUBSECTION (D) OF THIS SECTION  
23 SHALL HAVE A CONTRIBUTION RATE OF THE PARTICIPATING EMPLOYEE'S ANNUAL  
24 EARNABLE COMPENSATION OF:

25 (1) FOR CALENDAR YEAR 2002, 1%; AND

26 (2) FOR CALENDAR YEAR 2003 AND EACH CALENDAR YEAR  
27 THEREAFTER, 2%.

28 [(d)] (F) The Central Payroll Bureau shall pay contributions to the  
29 appropriate designated company for the benefit of each participating employee.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
31 October 1, 2001.