

BY: Budget and Taxation Committee

AMENDMENTS TO HOUSE BILL NO. 1255

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, strike in its entirety line 2 and substitute “Teachers’ Retirement System - Purchase of Service Credit - Refund”; strike beginning with “providing” in line 3 down through “systems” in line 8 and substitute “providing certain retirees with a refund of certain assets used to purchase certain service credit plus interest at a certain rate; requiring the Board of Trustees for the State Retirement and Pension System to make certain adjustments to the retirement allowance of certain retirees; requiring the Board of Trustees for the State Retirement and Pension System to make certain adjustments to certain refunds; providing for the termination of this Act; and generally relating to authorizing a certain refund of assets used to purchase certain service credit plus interest for certain retirees of the Teachers’ Retirement System”; and strike in their entirety lines 9 through 13, inclusive.

AMENDMENT NO. 2

On page 1, in line 15, strike “the Laws of Maryland read as follows”.

On pages 1 and 2, strike in their entirety the lines beginning with line 16 on page 1 through line 19 on page 2, inclusive.

On page 2, after line 19, insert:

“(a) Notwithstanding any other provision of law, a retiree of the Teachers’ Retirement System who purchased no more than 4 years of service credit at full cost under the State Personnel and Pensions Article based on an incorrect estimate of the retiree’s retirement benefits provided by the Board of Trustees for the State Retirement and Pension System or the State Retirement Agency may receive a refund of the amount the retiree paid for the service credit plus interest at the rate of 4% per year compounded annually to the date of refund if:

(Over)

- (1) the retiree purchased the service credit prior to July 1, 1999;
- (2) the retiree retired on July 1, 1999;

(3) in purchasing the service credit based on the estimate received by the Board of Trustees or the State Retirement Agency, the Board of Trustees finds that the retiree acted to the retiree's detriment; and

- (4) the retiree files an application for the refund on or before December 31, 2002.

(b) (1) The retirement allowance of a retiree who receives a refund under subsection (a) of this section shall be adjusted by the Board of Trustees to reflect the reduction in service credit resulting from the refund.

(2) The Board of Trustees shall calculate the amount that the retiree has been overpaid based on the retiree's adjusted retirement allowance determined under subsection (b)(1) of this section and reduce the retiree's refund by that amount.”;

in line 20, strike “3.” and substitute “2.”; and in line 21, after the period insert “It shall remain effective for a period of 6 months and, at the end of December 31, 2002, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.”.