

BY: Appropriations Committee

AMENDMENTS TO SENATE BILL NO. 584

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 6, after the semicolon insert “requiring that certain trustees on the Board of Trustees for the State Retirement and Pension System meet certain criteria;”; and in line 18, after “circumstances;” insert “altering the time period for filing certain applications for disability retirement;”.

On page 2, in line 5, after “credit;” insert “providing that certain deputy clerks of the court may receive a service retirement allowance after serving a certain number of years;”; and in the same line, after “changes;” insert “providing for the application of certain provisions of this Act;”; in line 11, after “20-206(c),” insert “21-104(a),”; in line 12, after “22-305(b),” insert “22-404(c),”; in the same line, after “23-307(a),” insert “23-404(c),”; in line 15, after “28-402(a),” insert “29-104(b) and (c),”; and after line 25, insert:

“BY repealing and reenacting, without amendments,

Article - State Personnel and Pensions

Section 22-404(b) and 23-404(b)

Annotated Code of Maryland

(2004 Replacement Volume)”.

On page 5, in line 19, strike “(1)” and substitute “(I)”; and in line 20, strike “(2)” and substitute “(II)”.

AMENDMENT NO. 2

On page 3, after line 2, insert:

“21-104.

(Over)

- (a) The Board of Trustees consists of the following 14 trustees:
- (1) the Secretary of Budget and Management, ex officio;
 - (2) the State Comptroller, ex officio;
 - (3) the State Treasurer, ex officio, who may appoint a deputy treasurer as designee; and
 - (4) 11 trustees elected or appointed as follows:
 - (i) one trustee who is a member of the Correctional Officers' Retirement System, the Employees' Pension System, the Employees' Retirement System, the Judges' Retirement System, the Legislative Pension Plan, the Local Fire and Police System, or the Law Enforcement Officers' Pension Plan, who shall be elected as provided in subsection (b) of this section and may not be an employee of the State Retirement Agency;
 - (ii) one trustee who is a retiree of the Correctional Officers' Retirement System, the Employees' Pension System, the Employees' Retirement System, the Judges' Retirement System, the Legislative Pension Plan, the Local Fire and Police System, or the Law Enforcement Officers' Pension Plan, who shall be elected as provided in subsection (b) of this section and may not be an employee of the State Retirement Agency;
 - (iii) one trustee who is a member of the Teachers' Pension System or the Teachers' Retirement System, who shall be elected as provided in subsection (b) of this section and may not be an employee of the State Retirement Agency;
 - (iv) one trustee who is a retiree of the Teachers' Pension System or the Teachers' Retirement System, who shall be elected as provided in subsection (b) of this section and may not be an employee of the State Retirement Agency;
 - (v) one trustee who is either a member or retiree of the State Police Retirement System, who shall be elected as provided in subsection (b) of this section and may not be an employee of the State Retirement Agency;
 - (vi) one trustee who represents the interests of participating governmental units in the Employees' Pension System and the Employees' Retirement System; and
 - (vii) five trustees who:

1. represent the interests of the public;
2. are not members of any of the several systems;
3. are not [affiliated with] EMPLOYEES, DIRECTORS, PARTNERS, OR OFFICERS OF any of the external investment managers for the several systems;
4. DO NOT HAVE AN OWNERSHIP INTEREST IN ANY OF THE EXTERNAL INVESTMENT MANAGERS OF THE SEVERAL SYSTEMS THAT IS GREATER THAN 5% OF THE ISSUED OR OUTSTANDING STOCK;
5. ARE NOT DIRECTORS, PARTNERS, OR OFFICERS OF ANY CORPORATION OR LARGE ORGANIZATION IN WHICH ANY OF THE EXTERNAL MANAGERS FOR THE SEVERAL SYSTEMS OWN 10% OR MORE OF THE ISSUED OR OUTSTANDING STOCK OF THE CORPORATION OR LARGE ORGANIZATION; and
[4.] 6. have at least 10 years of substantial experience overseeing similar pension systems, large foundations, or other similar large organizations with fiduciary responsibilities relating to different classes of participants.”.

AMENDMENT NO. 3

On page 14, after line 27, insert:

“29-104.

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

(ii) This subsection does not apply to a member of the Law Enforcement Officers’ Pension System who is subject to the Law Enforcement Officers’ Modified Pension Benefit under Title 26, Subtitle 2, Part II of this article.

(Over)

(iii) This subsection does not apply to a member of the Employees' Pension System or Teachers' Pension System who is subject to the contributory pension benefit under Title 23, Subtitle 2, Part II of this article.

(2) For the purpose of submitting an application for disability, membership continues for [3] 4 years after paid employment ends.

(c) (1) Except as provided in paragraphs (2) through (4) of this subsection, the Board of Trustees may accept an application for ordinary, accidental, or special disability retirement from a former member within [36] 24 months after the month membership ended if the former member proves to the satisfaction of the medical board that failure to submit an application while a member was attributable solely to physical or mental incapacity during the filing period.

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

(3) (i) This paragraph applies only to a former member of the Law Enforcement Officers' Pension System who is subject to the Law Enforcement Officers' Modified Pension Benefit under Title 26, Subtitle 2, Part II of this article.

(ii) The Board of Trustees may accept an application for ordinary or accidental disability retirement from a former member of the Law Enforcement Officers' Pension System within 24 months after the month membership ended if the former member of the Law Enforcement Officers' Pension System proves to the satisfaction of the medical board that failure to submit an application while a member of the Law Enforcement Officers' Pension System was attributable solely to physical or mental incapacity during the filing period.

(4) (i) This paragraph only applies to a former member of the Employees' Pension System or Teachers' Pension System who is subject to the contributory pension benefit

under Title 23, Subtitle 2, Part II of this article.

(ii) The Board of Trustees may accept an application for ordinary or accidental disability retirement from a former member of the Employees' Pension System or Teachers' Pension System within 24 months after the month membership ended if the former member of the Employees' Pension System or Teachers' Pension System proves to the satisfaction of the medical board that failure to submit an application while a member of the Employees' Pension System or Teachers' Pension System was attributable solely to physical or mental incapacity during the filing period.

(5) If the Board of Trustees accepts a disability retirement application under this subsection and grants a disability retirement allowance, the retirement allowance begins as of the first day of the month after the Board of Trustees receives the application."

AMENDMENT NO. 4

On pages 14 through 16, strike in their entirety the lines beginning with line 28 on page 14 through line 2 on page 16, inclusive.

On page 21, after line 25, insert:

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

Article - State Personnel and Pensions

22-404.

(b) The Board of Trustees shall pay a member of the Employees' Retirement System who qualifies under subsection (c) of this section a pension equal to an ordinary disability pension, regardless of age, if the member:

(1) has at least 16 years of creditable service; and

(Over)

(2) elects to have the member's accumulated contributions paid as an annuity of equivalent actuarial value instead of withdrawing the accumulated contributions.

(c) A member qualifies for a pension under subsection (b) of this section if the member:

(1) (i) is an elected or appointed official of the State at the time of application for retirement; and

(ii) was initially an elected or appointed official of the State before July 22, 1981;

(2) (i) is an elected or appointed official of the State when separating from employment;

(ii) was initially an elected or appointed official of the State during the period from July 22, 1981, through June 30, 1982, both inclusive; and

(iii) separated from employment involuntarily as certified by the Secretary of Budget and Management; [or]

(3) (i) was promoted to a position in the unclassified service of the State on or before June 30, 1982;

(ii) has been in the unclassified service or its equivalent in the State continuously from June 30, 1982, until separating from employment; and

(iii) separated from employment involuntarily as certified by the Secretary of Budget and Management; OR

(4) (I) IS A DEPUTY CLERK OF THE COURT AT THE TIME OF APPLICATION FOR RETIREMENT; AND

(II) WAS INITIALLY A DEPUTY CLERK OF THE COURT BEFORE JULY 22, 1981.

23-404.

(b) The Board of Trustees shall pay a member of the Employees' Pension System who qualifies under subsection (c) of this section a normal service retirement allowance, regardless of age, if the member:

(1) has at least 16 years of creditable service; and

(2) elects to have the member's accumulated contributions paid as an annuity of equivalent actuarial value instead of withdrawing the accumulated contributions.

(c) A member qualifies for a normal service retirement allowance under subsection (b) of this section if the member:

(1) (i) is an elected or appointed official of the State at the time of application for retirement; and

(ii) was initially an elected or appointed official of the State before July 22, 1981;

(2) (i) is an elected or appointed official of the State when separating from employment;

(ii) was initially an elected or appointed official of the State during the period from July 22, 1981, through June 30, 1982, both inclusive; and

(iii) separated from employment involuntarily, as certified by the Secretary of Budget and Management; [or]

(3) (i) was promoted to a position in the unclassified service of the State on or before June 30, 1982;

(Over)

(ii) has been in the unclassified service or its equivalent in the State continuously from June 30, 1982, until separating from employment; and

(iii) separated from employment involuntarily, as certified by the Secretary of Budget and Management; OR

(4) (I) IS A DEPUTY CLERK OF THE COURT AT THE TIME OF APPLICATION FOR RETIREMENT; AND

(II) WAS INITIALLY A DEPUTY CLERK OF THE COURT BEFORE JULY 22, 1981.

SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - State Personnel and Pensions

29-203.

(a) (1) This subsection applies only to an individual who dies while employed as a member of the Law Enforcement Officers' Pension System:

(i) without willful negligence by the member; and

(ii) with more than 2 years of eligibility service.

(2) When the Board of Trustees receives proof of death of a member and finds that the death has occurred in the manner described in paragraph (1) of this subsection, the Board of Trustees shall pay:

(i) if the member is survived by a spouse or child under the age of 18 years[.];

1. THE MEMBER'S ACCUMULATED CONTRIBUTIONS TO

THE DESIGNATED BENEFICIARY, OR OTHERWISE TO THE MEMBER'S ESTATE; AND

2. an allowance of 50% of the ordinary disability retirement allowance provided for in § 29-108 of this title:

[1.] A. to the surviving spouse; or

[2.] B. if there is no surviving spouse or if the surviving spouse dies before the youngest child of the member is 18 years old, to any children of the deceased member who are under the age of 18 years; or

(ii) if the member is not survived by a spouse or child under the age of 18 years, the death benefit under § 29-202 of this subtitle.

(b) (1) This subsection applies only to an individual who dies while employed as a member of the Law Enforcement Officers' Pension System:

(i) without willful negligence by the member; and

(ii) with death arising out of or in the course of the actual performance of duty.

(2) When the Board of Trustees receives proof of death of a member and finds that the death has occurred in the manner described in paragraph (1) of this subsection, the Board of Trustees shall pay:

(i) if the member is survived by a spouse or child under the age of 18 years[.]:

1. THE MEMBER'S ACCUMULATED CONTRIBUTIONS TO THE DESIGNATED BENEFICIARY, OR OTHERWISE TO THE MEMBER'S ESTATE; AND

2. an allowance of two-thirds of the member's average final

(Over)

compensation:

[1.] A. to the surviving spouse; or

[2.] B. if there is no surviving spouse or if the surviving spouse dies before the youngest child of the member is 18 years old, to any children of the deceased member who are under the age of 18 years; or

(ii) if the member is not survived by a spouse or child under the age of 18 years, the death benefit under § 29-202 of this subtitle.

(c) If the Board of Trustees pays an allowance under this section to more than one child, the Board of Trustees shall divide the allowance among the children under the age of 18 years in a manner that provides for payments to continue until each child dies or becomes 18 years old.

SECTION 5. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall be construed to apply retroactively and shall be applied to and interpreted to affect any individual who on or after November 6, 1990, was a Deputy Clerk of the Court at the time of application for retirement.

SECTION 6. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall be construed to apply retroactively and shall be applied to and interpreted to affect any individual who on or after July 1, 2004, died while employed as a member of the Law Enforcement Officers' Pension System:

(1) without willful negligence by the member; and

(2) with more than 2 years of eligibility service.”;

and in lines 26 and 28, strike “3.” and “4.”, respectively, and substitute “7.” and “8.”, respectively; and in line 29, strike “3” and substitute “7”.

AMENDMENT NO. 5

On page 6 in line 4, on page 8 in line 32, on page 11 in lines 2 and 32, and on page 13 in line

21, in each instance, strike “AN APPROVED” and substitute “A”.

On page 6 in lines 4 and 5, on page 8 in lines 32 and 33, on page 11 in lines 2 and 3 and 32 and 33, and on page 13 in lines 21 and 22, in each instance, strike “PROVIDED UNDER § 9-1105 OF THIS ARTICLE” and substitute “APPROVED BY THE BOARD OF TRUSTEES UNDER REGULATIONS THAT APPLY TO ALL MEMBERS”.

On page 14, in line 12, strike “MEMBER’S EMPLOYER” and substitute “BOARD OF TRUSTEES UNDER REGULATIONS THAT APPLY TO ALL MEMBERS”.