
By: **Senator Pipkin**

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Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

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CHAPTER_____

1 AN ACT concerning

2 **Correctional Officers' Retirement System - Membership - Local Detention**
3 **Center Officers**

4 FOR the purpose of authorizing local detention center officers of certain counties in
5 the State to participate in the Correctional Officers' Retirement System on or
6 after a certain date under certain conditions; providing for the procedures that
7 certain counties are required to follow to withdraw from the Correctional
8 Officers' Retirement System; requiring the transfer of certain funds to the
9 accumulation fund of the Correctional Officers' Retirement System; defining
10 certain terms; and generally relating to the election for local detention center
11 officers of certain counties to participate in the Correctional Officers' Retirement
12 System.

13 BY adding to
14 Article - State Personnel and Pensions
15 Section 21-306.2, 25-206; and 31-2B-01 through 31-2B-05, inclusive, to be
16 under the new subtitle "Subtitle 2B. Participation in the Correctional
17 Officers' Retirement System"
18 Annotated Code of Maryland
19 (2004 Replacement Volume and 2005 Supplement)

20 BY repealing and reenacting, without amendments,
21 Article - State Personnel and Pensions
22 Section 21-309 and 31-303
23 Annotated Code of Maryland
24 (2004 Replacement Volume and 2005 Supplement)

1 BY repealing and reenacting, with amendments,
2 Article - State Personnel and Pensions
3 Section 25-201, 25-202, 31-301, 31-302, and 31-304 through 31-306
4 Annotated Code of Maryland
5 (2004 Replacement Volume and 2005 Supplement)

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

8 **Article - State Personnel and Pensions**

9 21-306.2.

10 (A) (1) EACH FISCAL YEAR, ON BEHALF OF ITS EMPLOYEES WHO ARE
11 MEMBERS OF THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM, A
12 PARTICIPATING GOVERNMENTAL UNIT SHALL PAY AN AMOUNT EQUAL TO OR
13 GREATER THAN THE PRODUCT OF MULTIPLYING:

14 (I) THE AGGREGATE ANNUAL EARNABLE COMPENSATION OF
15 THOSE MEMBERS; AND

16 (II) THE SUM OF THE NORMAL CONTRIBUTION RATE AND THE
17 ACCRUED LIABILITY CONTRIBUTION RATE, AS DETERMINED UNDER THIS SECTION.

18 (2) EACH FISCAL YEAR, IN ADDITION TO THE AMOUNTS REQUIRED TO
19 BE PAID UNDER PARAGRAPH (1) OF THIS SUBSECTION, A PARTICIPATING
20 GOVERNMENTAL UNIT SHALL PAY:

21 (I) THE SPECIAL ACCRUED LIABILITY CONTRIBUTION REQUIRED
22 BY SUBSECTION (D) OF THIS SECTION; AND

23 (II) ANY WITHDRAWAL LIABILITY CONTRIBUTION REQUIRED BY
24 SUBSECTION (E) OF THIS SECTION.

25 (3) THE AMOUNTS DETERMINED UNDER PARAGRAPHS (1) AND (2) OF
26 THIS SUBSECTION SHALL BE BASED ON AN ACTUARIAL DETERMINATION OF THE
27 AMOUNTS THAT ARE REQUIRED TO PRESERVE THE INTEGRITY OF THE
28 ACCUMULATION FUND OF THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM,
29 USING:

30 (I) THE ENTRY-AGE ACTUARIAL COST METHOD;

31 (II) ACTUARIAL ASSUMPTIONS ADOPTED BY THE BOARD OF
32 TRUSTEES; AND

33 (III) THE ASSET VALUATION METHOD RECOMMENDED BY THE
34 ACTUARY AND ADOPTED BY THE BOARD OF TRUSTEES.

1 (4) THE ACTUARY SHALL COMPUTE THE CONTRIBUTIONS PAYABLE
2 UNDER THIS SECTION.

3 (5) THE AMOUNTS COMPUTED UNDER THIS SECTION ARE A CHARGE
4 AGAINST THE PARTICIPATING GOVERNMENTAL UNIT TO BE PAID IN ACCORDANCE
5 WITH § 21-309 OF THIS SUBTITLE.

6 (B) (1) AS PART OF EACH ACTUARIAL VALUATION, THE ACTUARY SHALL
7 DETERMINE THE NORMAL CONTRIBUTIONS, NET OF MEMBER CONTRIBUTIONS, ON
8 ACCOUNT OF MEMBERS OF THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

9 (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE
10 NORMAL CONTRIBUTION RATE FOR THE CORRECTIONAL OFFICERS' RETIREMENT
11 SYSTEM EQUALS THE FRACTION THAT HAS:

12 (I) AS ITS NUMERATOR, THE SUM OF THE NORMAL
13 CONTRIBUTIONS DETERMINED UNDER THIS SUBSECTION; AND

14 (II) AS ITS DENOMINATOR, THE AGGREGATE ANNUAL EARNABLE
15 COMPENSATION OF THE MEMBERS OF THE CORRECTIONAL OFFICERS' RETIREMENT
16 SYSTEM.

17 (3) ON THE RECOMMENDATION OF THE ACTUARY, THE BOARD OF
18 TRUSTEES MAY ADJUST THE NORMAL CONTRIBUTION RATE DETERMINED UNDER
19 THIS SECTION TO PROVIDE FOR:

20 (I) EXPERIENCE GAINS AND LOSSES;

21 (II) THE EFFECT OF CHANGES IN ACTUARIAL ASSUMPTIONS; AND

22 (III) THE EFFECT OF LEGISLATION ENACTED AFTER JULY 1, 2006.

23 (C) (1) THE ACCRUED LIABILITY CONTRIBUTION RATE FOR THE
24 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM SHALL BE COMPUTED AS THE
25 PERCENT OF THE AGGREGATE EARNABLE COMPENSATION OF THE MEMBERS OF THE
26 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM THAT IS SUFFICIENT TO
27 LIQUIDATE OVER 40 YEARS BEGINNING JULY 1, 2006, THE AMOUNT, AS OF JUNE 30,
28 2006, BY WHICH THE TOTAL LIABILITIES OF THE CORRECTIONAL OFFICERS'
29 RETIREMENT SYSTEM EXCEEDED THE SUM OF:

30 (I) THE ASSETS IN THE ACCUMULATION FUND AND THE ANNUITY
31 SAVINGS FUND OF THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM; AND

32 (II) THE PRESENT VALUE OF FUTURE NORMAL CONTRIBUTIONS,
33 FUTURE SPECIAL ACCRUED LIABILITY CONTRIBUTIONS, FUTURE WITHDRAWAL
34 LIABILITY CONTRIBUTIONS, AND FUTURE MEMBER CONTRIBUTIONS.

35 (2) ON THE RECOMMENDATION OF THE ACTUARY, THE BOARD OF
36 TRUSTEES MAY ADJUST THE ACCRUED LIABILITY CONTRIBUTION RATE TO REFLECT:

- 1 (I) EXPERIENCE GAINS AND LOSSES;
- 2 (II) THE EFFECT OF CHANGES IN ACTUARIAL ASSUMPTIONS; AND
- 3 (III) THE EFFECT OF LEGISLATION ENACTED AFTER JULY 1, 2006.

4 (D) (1) IN THIS SUBSECTION, "SPECIAL ACCRUED LIABILITY" MEANS, AS TO
5 ANY PARTICIPATING GOVERNMENTAL UNIT, THE LIABILITY OF THE CORRECTIONAL
6 OFFICERS' RETIREMENT SYSTEM ON ACCOUNT OF THE EMPLOYEES OF THE
7 PARTICIPATING GOVERNMENTAL UNIT WHO ELECT TO BECOME MEMBERS UNDER §
8 25-202(B) OF THIS ARTICLE.

9 (2) EACH PARTICIPATING GOVERNMENTAL UNIT SHALL MAKE A
10 SPECIAL ACCRUED LIABILITY CONTRIBUTION ON ACCOUNT OF THE PARTICIPATION
11 OF ITS EMPLOYEES IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

12 (3) THE SPECIAL ACCRUED LIABILITY CONTRIBUTION SHALL BE
13 DETERMINED BY AN ACTUARIAL VALUATION OF THE SPECIAL ACCRUED LIABILITY
14 AS OF THE DATE OF APPROVAL OF PARTICIPATION BY THE LEGISLATIVE BODY OF
15 THE PARTICIPATING GOVERNMENTAL UNIT.

16 (4) EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS SUBSECTION, THE
17 ANNUAL SPECIAL ACCRUED LIABILITY CONTRIBUTION OF EACH PARTICIPATING
18 GOVERNMENTAL UNIT SHALL BE THE LEVEL ANNUAL PAYMENT THAT IS
19 SUFFICIENT TO LIQUIDATE, OVER 25 YEARS BEGINNING ON THE DATE OF APPROVAL
20 BY THE LEGISLATIVE BODY OF THE PARTICIPATING GOVERNMENTAL UNIT, THE
21 AMOUNT BY WHICH THE SPECIAL ACCRUED LIABILITY OF THE PARTICIPATING
22 GOVERNMENTAL UNIT EXCEEDS THE SUM OF:

23 (I) THE PRESENT VALUE, AS OF THE DATE OF APPROVAL, OF
24 FUTURE NORMAL CONTRIBUTIONS, FUTURE ACCRUED LIABILITY CONTRIBUTIONS,
25 AND FUTURE MEMBER CONTRIBUTIONS ON BEHALF OF OR BY MEMBERS WHO ARE
26 EMPLOYEES OF THE PARTICIPATING GOVERNMENTAL UNIT; AND

27 (II) ANY CASH AND SECURITIES TRANSFERRED TO THE
28 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM IN ACCORDANCE WITH §
29 31-2B-05(B) OF THIS ARTICLE.

30 (5) SUBJECT TO THE APPROVAL OF THE BOARD OF TRUSTEES, A
31 PARTICIPATING GOVERNMENTAL UNIT MAY LIQUIDATE ITS UNFUNDED SPECIAL
32 ACCRUED LIABILITY:

33 (I) OVER A PERIOD NOT TO EXCEED 40 YEARS; OR

34 (II) SUBJECT TO THE ACTUARY'S CONCURRENCE, BY MEANS OF
35 ANNUAL PAYMENTS OTHER THAN LEVEL ANNUAL PAYMENTS.

36 (6) THE EXPENSE OF MAKING THE INITIAL SPECIAL ACCRUED LIABILITY
37 ACTUARIAL VALUATION SHALL BE ASSESSED AGAINST AND PAID BY THE
38 PARTICIPATING GOVERNMENTAL UNIT ON WHOSE ACCOUNT IT IS NECESSARY.

1 (E) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
2 MEANINGS INDICATED.

3 (II) "ACTIVE PARTICIPANT FUNDING RATIO" MEANS THE RATIO
4 DETERMINED BY THE ACTUARY AS PROVIDED UNDER PARAGRAPH (3) OF THIS
5 SUBSECTION.

6 (III) "COMPLEMENT OF THE ACTIVE PARTICIPANT FUNDING RATIO"
7 IS A RATIO EQUAL TO 1 MINUS THE ACTIVE PARTICIPANT FUNDING RATIO.

8 (2) (I) ON AND AFTER THE DATE OF A PARTICIPATING
9 GOVERNMENTAL UNIT'S WITHDRAWAL FROM THE CORRECTIONAL OFFICERS'
10 RETIREMENT SYSTEM UNDER § 31-302(D) OF THIS ARTICLE, THE PARTICIPATING
11 GOVERNMENTAL UNIT AND ITS EMPLOYEES ARE NOT REQUIRED TO MAKE ANY
12 FURTHER CONTRIBUTIONS TO THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM
13 FOR THOSE EMPLOYEES WHO ELECT TO WITHDRAW FROM THE CORRECTIONAL
14 OFFICERS' RETIREMENT SYSTEM.

15 (II) AS OF THE EFFECTIVE DATE OF WITHDRAWAL, THE
16 PARTICIPATING GOVERNMENTAL UNIT SHALL CONTINUE TO MAKE ANY
17 CONTRIBUTIONS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION ON BEHALF
18 OF THOSE EMPLOYEES WHO DO NOT ELECT TO WITHDRAW FROM THE
19 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

20 (III) AS OF THE EFFECTIVE DATE OF WITHDRAWAL OF A
21 PARTICIPATING GOVERNMENTAL UNIT FROM THE CORRECTIONAL OFFICERS'
22 RETIREMENT SYSTEM, THE BOARD OF TRUSTEES SHALL TRANSFER TO THE
23 ADMINISTRATIVE BOARD OF THE LOCAL PENSION SYSTEM THE ASSETS THAT ARE
24 ALLOCABLE TO THE EMPLOYEES OF THE PARTICIPATING GOVERNMENTAL UNIT
25 WHO ELECT TO WITHDRAW FROM THE CORRECTIONAL OFFICERS' RETIREMENT
26 SYSTEM AS DETERMINED UNDER PARAGRAPH (4) OF THIS SUBSECTION.

27 (3) (I) AS OF JUNE 30 OF EACH FISCAL YEAR, THE ACTUARY SHALL
28 DETERMINE THE ACTIVE PARTICIPANT FUNDING RATIO FOR THE PARTICIPATING
29 GOVERNMENTAL UNITS AS PROVIDED IN THIS SECTION.

30 (II) THE ACTIVE PARTICIPANT FUNDING RATIO SHALL BE A
31 FRACTION, NOT TO EXCEED 1, THAT HAS:

32 1. AS ITS NUMERATOR, THE ASSETS TO THE CREDIT OF THE
33 PARTICIPATING GOVERNMENTAL UNITS IN THE ACCUMULATION FUND AND THE
34 ANNUITY SAVINGS FUND OF THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM
35 AS ADJUSTED UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH, DECREASED BY THE
36 SUM OF THE ACTUARIAL LIABILITIES ALLOCABLE TO RETIREES OF THE
37 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM WHO RETIRED FROM THE SERVICE
38 OF THE PARTICIPATING GOVERNMENTAL UNIT AND THE DESIGNATED
39 BENEFICIARIES OF THOSE RETIREES, FORMER MEMBERS OF THE CORRECTIONAL
40 OFFICERS' RETIREMENT SYSTEM WHO ARE ELIGIBLE FOR A VESTED ALLOWANCE
41 WHO SEPARATED FROM EMPLOYMENT WITH THE PARTICIPATING GOVERNMENTAL
42 UNIT, AND MEMBERS OF THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM WHO

(IV) EXCEPT AS PROVIDED IN SUBPARAGRAPH (V) OF THIS PARAGRAPH, THE ANNUAL WITHDRAWAL LIABILITY CONTRIBUTION OF A PARTICIPATING GOVERNMENTAL UNIT SHALL BE THE ANNUAL PAYMENT THAT IS SUFFICIENT TO LIQUIDATE, OVER NOT MORE THAN 25 YEARS, THE WITHDRAWAL LIABILITY CONTRIBUTION BY MEANS OF ANNUAL PAYMENTS THAT INCREASE EACH YEAR BASED ON THE ACTUARIAL ASSUMPTIONS ADOPTED BY THE BOARD OF TRUSTEES ON THE RECOMMENDATION OF THE ACTUARY.

(V) SUBJECT TO THE APPROVAL OF THE BOARD OF TRUSTEES AND THE ACTUARY'S CONCURRENCE, A PARTICIPATING GOVERNMENTAL UNIT MAY:

1. LIQUIDATE THE WITHDRAWAL LIABILITY CONTRIBUTION BY MEANS OF LEVEL ANNUAL PAYMENTS OR OVER A TERM OF LESS THAN 25 YEARS; OR

2. PREPAY ALL OR A PORTION OF THE WITHDRAWAL LIABILITY CONTRIBUTION.

21-309.

(a) In this section, "participating governmental unit" includes a county required to pay the employer contribution or part of the employer contribution under § 21-307 of this subtitle.

(b) Each year, the Board of Trustees shall certify to the chief fiscal officer of each participating governmental unit:

(1) the normal contribution rates, accrued liability contribution rates, special accrued liability contribution rate, and withdrawal liability contribution rate for the participating governmental unit; and

(2) any amount payable by the participating governmental unit for a master under § 21-307(b)(2) of this subtitle.

(c) Each participating governmental unit shall:

(1) include an amount determined based on the rates certified by the Board of Trustees as payable by the participating governmental unit under this section in the next budget, appropriation, or levy of the participating governmental unit after the certification by the Board of Trustees; and

(2) levy and collect those amounts in the same manner as any other tax.

(d) (1) Except as provided in paragraph (3) of this subsection, within 30 days after receiving the certification by the Board of Trustees of the amount payable by the participating governmental unit under this section, the proper fiscal officer of each participating governmental unit shall pay that amount to the Board of Trustees.

(2) A participating governmental unit that does not pay the amounts certified under this subsection within the time required is liable for:

- 1 (i) a penalty of 10% of the amount due; and
- 2 (ii) interest on delinquent amounts at 10% a year until payment.

3 (3) The Secretary of the Board of Trustees may allow a grace period for
4 payment of the amounts certified under this section not to exceed 10 calendar days.

5 (4) On notification by the Secretary of the Board of Trustees that a
6 delinquency exists, the State Comptroller immediately shall exercise the right of
7 setoff against any money due or coming due to the delinquent participating
8 governmental unit.

9 (e) On receipt of the payments from the fiscal officer of each participating
10 governmental unit, the Board of Trustees shall credit these amounts to the
11 accumulation fund of the appropriate State system.

12 25-201.

13 (a) Except as provided in subsection (b) of this section, this subtitle applies
14 only to:

15 (1) correctional officers serving in any of the first six job classifications;
16 [and]

17 (2) security attendants at Clifton T. Perkins Hospital Center; AND

18 (3) A DETENTION CENTER OFFICER EMPLOYED BY A PARTICIPATING
19 GOVERNMENTAL UNIT THAT ON OR AFTER JULY 1, 2006, HAS ELECTED TO
20 PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

21 (b) This subtitle does not apply [to] TO:

22 (1) an employee of the Baltimore City Jail as of June 30, 1991, who:

23 [(1)] (I) became an employee of the Baltimore City Detention Center on
24 July 1, 1991; and

25 [(2)] (II) who did not elect to become a member of the Correctional
26 Officers' Retirement System on that date; OR

27 (2) A DETENTION CENTER OFFICER EMPLOYED BY A PARTICIPATING
28 GOVERNMENTAL UNIT AS A LOCAL DETENTION CENTER OFFICER ON THE
29 EFFECTIVE DATE OF PARTICIPATION ON OR AFTER JULY 1, 2006, WHO DID NOT ELECT
30 TO BECOME A MEMBER OF THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM
31 WITHIN 6 MONTHS OF THE EFFECTIVE DATE OF PARTICIPATION.

32 25-202.

33 (A) [An] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AN
34 individual described in § 25-201(a) of this subtitle is a member of the Correctional
35 Officers' Retirement System as a condition of employment.

1 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, MEMBERSHIP IN
2 THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM IS OPTIONAL FOR AN
3 INDIVIDUAL DESCRIBED IN § 25-201 OF THIS SUBTITLE WHO WAS EMPLOYED BY A
4 PARTICIPATING GOVERNMENTAL UNIT AS A LOCAL DETENTION CENTER OFFICER ON
5 THE EFFECTIVE DATE OF PARTICIPATION ON OR AFTER JULY 1, 2006, FOR THAT
6 PARTICIPATING GOVERNMENTAL UNIT AND WHO ELECTS MEMBERSHIP WITHIN 6
7 MONTHS OF THE EFFECTIVE DATE OF PARTICIPATION.

8 (2) TO ELECT TO BE A MEMBER OF THE CORRECTIONAL OFFICERS'
9 RETIREMENT SYSTEM, AN INDIVIDUAL SHALL FILE A WRITTEN APPLICATION WITH
10 THE STATE RETIREMENT AGENCY.

11 (3) IF AN INDIVIDUAL DOES NOT ELECT MEMBERSHIP DURING THE
12 APPLICABLE PERIOD SPECIFIED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE
13 INDIVIDUAL MAY NOT BECOME A MEMBER OF THE CORRECTIONAL OFFICERS'
14 RETIREMENT SYSTEM.

15 25-206.

16 (A) FOR MEMBERS WHO TRANSFER FROM A LOCAL PENSION SYSTEM, THE
17 LOCAL PENSION SYSTEM SHALL TRANSFER TO THE BOARD OF TRUSTEES THE
18 EMPLOYER CONTRIBUTIONS THAT WERE MADE TO THE LOCAL PENSION SYSTEM ON
19 BEHALF OF THOSE MEMBERS WHO TRANSFERRED, PLUS THE INTEREST EARNED ON
20 THOSE CONTRIBUTIONS THROUGH THE DATE OF TRANSFER.

21 (B) THE BOARD OF TRUSTEES SHALL DEPOSIT ANY FUNDS TRANSFERRED
22 UNDER SUBSECTION (A) OF THIS SECTION IN THE ACCUMULATION FUND OF THE
23 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

24 SUBTITLE 2B. PARTICIPATION IN THE CORRECTIONAL OFFICERS' RETIREMENT
25 SYSTEM.

26 31-2B-01.

27 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
28 INDICATED.

29 (B) "EFFECTIVE DATE" MEANS THE DATE THAT AN ELIGIBLE GOVERNMENTAL
30 UNIT COMMENCED OR COMMENCES PARTICIPATION IN THE CORRECTIONAL
31 OFFICERS' RETIREMENT SYSTEM.

32 (C) "ELIGIBLE GOVERNMENTAL UNIT" MEANS A GOVERNMENTAL UNIT THAT
33 IS ELIGIBLE TO PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT
34 SYSTEM UNDER § 31-2B-02 OF THIS SUBTITLE.

35 (D) "LOCAL DETENTION CENTER OFFICER" MEANS AN INDIVIDUAL WHO
36 WORKS AS A DETENTION CENTER OFFICER FOR AN ELIGIBLE GOVERNMENTAL UNIT.

37 (E) (1) "LOCAL PENSION SYSTEM" MEANS A RETIREMENT OR PENSION
38 SYSTEM OF AN ELIGIBLE GOVERNMENTAL UNIT.

1 (2) "LOCAL PENSION SYSTEM" INCLUDES THE EMPLOYEES' RETIREMENT
2 SYSTEM AND THE EMPLOYEES' PENSION SYSTEM IF THE ELIGIBLE GOVERNMENTAL
3 UNIT PARTICIPATES UNDER SUBTITLE 1 OF THIS TITLE.

4 31-2B-02.

5 SUBJECT TO § 31-2B-03 OF THIS SUBTITLE, THE GOVERNMENTAL UNITS THAT
6 ARE ELIGIBLE TO PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT
7 SYSTEM ARE:

8 (1) COUNTIES; AND

9 (2) MUNICIPAL CORPORATIONS.

10 31-2B-03.

11 IF AT LEAST 60% OF THE LOCAL DETENTION CENTER OFFICERS OF AN ELIGIBLE
12 GOVERNMENTAL UNIT WHO ARE MEMBERS OF A LOCAL PENSION SYSTEM PETITION
13 TO BECOME MEMBERS OF THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM,
14 THE LEGISLATIVE BODY OF THE ELIGIBLE GOVERNMENTAL UNIT MAY APPROVE THE
15 PARTICIPATION OF THESE LOCAL DETENTION CENTER OFFICERS IN THE
16 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM AS THOUGH THE LOCAL PENSION
17 SYSTEM WERE NOT IN OPERATION.

18 31-2B-04.

19 IF A LOCAL DETENTION CENTER OFFICER JOINS THE CORRECTIONAL
20 OFFICERS' RETIREMENT SYSTEM WITHIN 6 MONTHS AFTER THE EFFECTIVE DATE,
21 THE MEMBER IS ENTITLED TO CREDIT FOR EMPLOYMENT WITH THE PARTICIPATING
22 GOVERNMENTAL UNIT BEFORE THE EFFECTIVE DATE.

23 31-2B-05.

24 (A) IF AN ELIGIBLE GOVERNMENTAL UNIT APPROVES PARTICIPATION IN THE
25 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM, THE OPERATION OF THE LOCAL
26 PENSION SYSTEM WITH RESPECT TO THE LOCAL DETENTION CENTER OFFICERS
27 TERMINATES ON THE EFFECTIVE DATE.

28 (B) (1) ON THE EFFECTIVE DATE:

29 (I) THE ASSETS TO THE CREDIT OF THE LOCAL PENSION SYSTEM
30 THAT RELATE TO THE LOCAL DETENTION CENTER OFFICERS WHO ELECT TO
31 BECOME MEMBERS SHALL BE TRANSFERRED TO THE CORRECTIONAL OFFICERS'
32 RETIREMENT SYSTEM; AND

33 (II) THE TRUSTEE OR OTHER ADMINISTRATIVE HEAD OF THE
34 LOCAL PENSION SYSTEM SHALL CERTIFY THE PROPORTION OF THE FUNDS OF THE
35 LOCAL PENSION SYSTEM THAT REPRESENTS THE ACCUMULATED CONTRIBUTIONS
36 OF THE MEMBERS AS OF THAT DATE.

1 (2) THE ACCUMULATED CONTRIBUTIONS SHALL BE CREDITED TO THE
2 RESPECTIVE ANNUITY SAVINGS ACCOUNTS OF THE MEMBERS IN THE
3 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

4 (3) THE BALANCE OF THE FUNDS TRANSFERRED TO THE
5 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM SHALL BE OFFSET AGAINST THE
6 SPECIAL ACCRUED LIABILITY TO BE FUNDED BY THE PARTICIPATING
7 GOVERNMENTAL UNIT AS PROVIDED BY § 21-306.1(D) OF THIS ARTICLE.

8 31-301.

9 (a) In this subtitle the following words have the meanings indicated.

10 (b) "Employees' system" has the meaning stated in § 31-101 of this title.

11 (c) "Legislative body" has the meaning stated in § 31-101 of this title.

12 (d) "Local pension system" has the meaning stated in § 31-101 of this title.

13 (e) "Withdrawal date" means the date that a withdrawal by a participating
14 governmental unit from the employees' systems, the Local Fire and Police System,
15 [or] the Law Enforcement Officers' Pension System, OR THE CORRECTIONAL
16 OFFICERS' RETIREMENT SYSTEM takes effect.

17 31-302.

18 (a) The legislative body of a participating governmental unit may withdraw
19 from participation in the employees' systems and transfer to a local pension system
20 any of the following groups of employees of the governmental unit who consent to the
21 withdrawal:

22 (1) all employees of the participating governmental unit;

23 (2) fire fighters;

24 (3) law enforcement personnel; or

25 (4) subject to the approval of the Board of Trustees, a homogeneous unit
26 of at least 10 employees.

27 (b) The legislative body of a participating governmental unit may withdraw
28 from participation in the Local Fire and Police System and shall transfer to a local
29 pension system all employees of the participating governmental unit.

30 (c) The legislative body of a participating governmental unit may withdraw
31 from participation in the Law Enforcement Officers' Pension System and transfer to a
32 local pension system the law enforcement officers of the participating governmental
33 unit who consent to the withdrawal.

34 (D) THE LEGISLATIVE BODY OF A PARTICIPATING GOVERNMENTAL UNIT MAY
35 WITHDRAW FROM PARTICIPATION IN THE CORRECTIONAL OFFICERS' RETIREMENT

1 SYSTEM AND TRANSFER TO A LOCAL PENSION SYSTEM THE DETENTION CENTER
2 OFFICERS OF THE PARTICIPATING GOVERNMENTAL UNIT WHO CONSENT TO THE
3 WITHDRAWAL.

4 31-303.

5 A withdrawal and transfer under § 31-302 of this subtitle takes effect at the end
6 of the State's fiscal year.

7 31-304.

8 If a participating governmental unit withdraws from the employees' systems,
9 the Local Fire and Police System, [or] the Law Enforcement Officers' Pension
10 System, OR THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM, the accumulated
11 contributions of the withdrawn employees shall be transferred on the withdrawal
12 date to the administrative board of the local pension system and credited to the
13 account of those employees.

14 31-305.

15 (a) As of the effective date of withdrawal of a participating governmental unit,
16 the Board of Trustees shall transfer to the administrative board of the local pension
17 system the portion of the assets that are allocable to the withdrawn employees as
18 determined under § 21-305.5, § 21-305.6, § 21-306, [or] § 21-306.1, OR 26-306.2 of
19 this article.

20 (b) The administrative board of the local pension system shall hold the
21 transferred assets in trust to provide retirement benefits for the withdrawn
22 employees.

23 31-306.

24 A participating governmental unit shall pay all administrative costs involved in
25 the withdrawal or reentry if the participating governmental unit:

26 (1) withdraws its employees from the employees' systems, Local Fire and
27 Police System, [or] Law Enforcement Officers' Pension System, OR THE
28 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM; or

29 (2) elects to participate in the employees' systems, Local Fire and Police
30 System, [or] Law Enforcement Officers' Pension System, OR THE CORRECTIONAL
31 OFFICERS' RETIREMENT SYSTEM for employees who were previously withdrawn.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 July 1, 2006.

