

SENATE BILL 593

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71r2278

By: **Senators Madaleno, DeGrange, McFadden, Munson, and Robey**
Introduced and read first time: February 2, 2007
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Optional Defined Contribution System – Membership**

3 FOR the purpose of providing membership in the Optional Defined Contribution
4 System to members of the Employees' Retirement System or the Correctional
5 Officers' Retirement System; and generally relating to membership in the
6 Optional Defined Contribution System.

7 BY repealing and reenacting, with amendments,
8 Article – State Personnel and Pensions
9 Section 32–101
10 Annotated Code of Maryland
11 (2004 Replacement Volume and 2006 Supplement)

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

14 **Article – State Personnel and Pensions**

15 32–101.

16 (a) In this title the following words have the meanings indicated.

17 (b) (1) “Eligible employee” means a member of the Employees’ Pension
18 System, **THE EMPLOYEES’ RETIREMENT SYSTEM, OR THE CORRECTIONAL**
19 **OFFICERS’ RETIREMENT SYSTEM**, [or the Employees’ Retirement System who is

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 subject to Selection C (Combination Formula) as provided in § 22–221 of this article,]
2 other than:

3 (i) an employee of a participating governmental unit or a
4 former participating governmental unit that has withdrawn; or

5 (ii) a member of the Employees' Pension System who
6 transferred from the Employees' Retirement System after April 1, 1998.

7 (2) "Eligible employee" includes:

8 (i) a member of the Employees' Pension System who
9 contributes to a State supplemental plan authorized by an employing institution as
10 defined in § 30–101 of this article; or

11 (ii) a member of the Employees' Pension System who is an
12 employee of the Northeast Maryland Waste Disposal Authority.

13 (c) "Optional Defined Contribution System" means the system established
14 under § 32–201 of this title.

15 (d) "Participating employee" means an eligible employee who participates in
16 the Optional Defined Contribution System.

17 (e) (1) "State supplemental plan" means a plan qualified under the
18 Internal Revenue Code and:

19 (i) administered by the Supplemental Board; or

20 (ii) authorized for eligible employees by an employing
21 institution as defined in § 30–101 of this article.

22 (2) "State supplemental plan" includes:

23 (i) a salary reduction plan qualified under § 401(k) of the
24 Internal Revenue Code;

25 (ii) a tax sheltered annuity plan qualified under § 403(b) of the
26 Internal Revenue Code;

27 (iii) a deferred compensation plan qualified under § 457 of the
28 Internal Revenue Code; or

1 (iv) a plan qualified under § 401(a) of the Internal Revenue
2 Code.

3 (f) “Supplemental Board” means the State Board of Trustees of the
4 Maryland Teachers and State Employees Supplemental Retirement Plans established
5 under § 35–201 of this article.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 2007.