

HOUSE BILL 554

K4
HB 840/07 – APP

8lr2093

By: **Delegates Haynes, Barkley, G. Clagett, Glenn, Heller, Jones, ~~and Robinson~~ Robinson, Anderson, Bronrott, DeBoy, Donoghue, Hubbard, Hucker, Nathan-Pulliam, Proctor, Ramirez, Riley, Ross, Schuler, Tarrant, V. Turner, Valderrama, and Wood**

Introduced and read first time: January 31, 2008

Assigned to: Appropriations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 18, 2008

CHAPTER _____

1 AN ACT concerning

2 ~~Correctional Officers' Retirement System – Membership~~
3 State Retirement and Pension System – Membership and System Study

4 FOR the purpose of altering certain criteria for consideration by a certain actuarial
5 consulting firm for a certain study of the State Retirement and Pension System;
6 altering the membership of the Correctional Officers' Retirement System;
7 providing that certain members of the Correctional Officers' Retirement System
8 may receive a normal service retirement or a deferred vested retirement
9 allowance under certain circumstances; requiring the transfer of certain
10 member contributions to the annuity savings fund of the Correctional Officers'
11 Retirement System; providing for a refund of certain member contributions
12 under certain circumstances; providing that certain transfers of credit between
13 the Employees' Retirement and Pension Systems and the Correctional Officers'
14 Retirement System are not governed by certain provisions of law; and generally
15 relating to membership in the Correctional Officers' Retirement System and a
16 study of the State Retirement and Pension System.

17 BY repealing and reenacting, with amendments,
18 Article – State Personnel and Pensions
19 Section ~~21–125.1~~, 25–201, 25–401, and 29–302(c)
20 Annotated Code of Maryland
21 (2004 Replacement Volume and 2007 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – State Personnel and Pensions**

4 21–125.1.

5 (a) Beginning on or before September 1, 2008, and every 5 years thereafter,
6 the Joint Committee on Pensions shall commission an actuarial consulting firm to
7 conduct a study of the several systems in addition to the actuarial investigation and
8 valuation performed by the actuary under § 21–125 of this subtitle and a comparison
9 of the several systems with other similarly situated public pension plans.

10 (b) The actuarial consulting firm shall consider the following issues with
11 regard to the several systems and other similarly situated public pension plans:

12 (1) the funding status of the State Retirement and Pension System,
13 including its current unfunded accrued liability;

14 (2) the composition of the several systems, including:

15 (i) the number of active members, retirees, disability retirees,
16 and beneficiaries of all retirees;

17 (ii) the average annual salaries of the active members in the
18 various plans in the State Retirement and Pension System;

19 (iii) the average annual benefits of the retirees and beneficiaries
20 of the State Retirement and Pension System; and

21 (iv) the average [age] AGE, LIFE EXPECTANCY, and years of
22 service of active members retiring from the various plans in the State Retirement and
23 Pension System; and

24 (3) the benefit levels provided by the various State systems, including
25 a comparison of member contribution rates and the accrual rates.

26 (c) The findings of the actuarial consulting firm shall be submitted to the
27 Joint Committee on Pensions on or before December 31, of the year of study, in
28 accordance with § 2–1246 of the State Government Article.

29 25–201.

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

1 (1) correctional officers serving in any of the first six job
2 classifications;

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

4 (3) a detention center officer employed by a participating
5 governmental unit that on or after July 1, 2006, has elected to participate in the
6 Correctional Officers' Retirement System; [and]

7 (4) an individual serving as a correctional dietary, maintenance,
8 **LAUNDRY**, or supply officer; **AND**

9 (5) **AN INDIVIDUAL SERVING AS A MARYLAND CORRECTIONAL**
10 **ENTERPRISES OFFICER, OFFICER TRAINEE, PLANT SUPERVISOR, PLANT**
11 **MANAGER, OR REGIONAL MANAGER.**

12 (b) This subtitle does not apply to:

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

14 (i) became an employee of the Baltimore City Detention Center
15 on July 1, 1991; and

16 (ii) did not elect to become a member of the Correctional
17 Officers' Retirement System on that date; or

18 (2) a detention center officer employed by a participating
19 governmental unit as a local detention center officer on the effective date of
20 participation on or after July 1, 2006, who did not elect to become a member of the
21 Correctional Officers' Retirement System within 6 months of the effective date of
22 participation.

23 25-401.

24 (a) A member may retire with a normal service retirement allowance if:

25 (1) on or before the date of retirement, the member has at least 20
26 years of eligibility service;

27 (2) for at least 5 years immediately before retirement, the member
28 was:

29 (i) a security attendant at Clifton T. Perkins Hospital Center;

30 (ii) a correctional officer in any of the first six job classifications;

1 (iii) a detention center officer employed by a participating
 2 governmental unit that has elected to participate in the Correctional Officers'
 3 Retirement System;

4 (iv) an individual serving as a correctional dietary, maintenance,
 5 **LAUNDRY**, or supply officer;

6 (v) **AN INDIVIDUAL SERVING AS A MARYLAND**
 7 **CORRECTIONAL ENTERPRISES OFFICER, OFFICER TRAINEE, PLANT**
 8 **SUPERVISOR, PLANT MANAGER, OR REGIONAL MANAGER; or**

9 [(v)] **(VI)** in a combination of these positions; and

10 (3) the member completes and submits a written application to the
 11 Board of Trustees stating the date when the member desires to retire.

12 (b) On retirement under this section, a member is entitled to receive a
 13 normal service retirement allowance that equals one fifty-fifth of the member's
 14 average final compensation multiplied by the number of years of creditable service.

15 29-302.

16 (c) A vested allowance is a deferred allowance starting at:

17 (1) normal retirement age for members of:

18 (i) the Employees' Retirement System;

19 (ii) the State Police Retirement System; and

20 (iii) the Teachers' Retirement System;

21 (2) age 55 for a member of the Correctional Officers' Retirement
 22 System who is:

23 (i) a correctional officer in the first six job classifications;

24 (ii) a detention center officer employed by a participating
 25 governmental unit who has elected to participate in the Correctional Officers'
 26 Retirement System; [or]

27 (iii) an individual serving as a correctional dietary, maintenance,
 28 **LAUNDRY**, or supply officer; or

29 (iv) **AN INDIVIDUAL SERVING AS A MARYLAND**
 30 **CORRECTIONAL ENTERPRISES OFFICER, OFFICER TRAINEE, PLANT**
 31 **SUPERVISOR, PLANT MANAGER, OR REGIONAL MANAGER; OR**

1 (3) age 60 for a member of the Correctional Officers' Retirement
2 System who is a maximum security attendant at the Clifton T. Perkins Hospital
3 Center.

4 SECTION 2. AND BE IT FURTHER ENACTED, That:

5 (a) This section applies to an individual who is:

6 (1) a correctional laundry officer; or

7 (2) serving as a Maryland Correctional Enterprises officer, officer
8 trainee, plant supervisor, plant manager, or regional manager.

9 (b) The transfer of creditable service for an individual described in
10 subsection (a) of this section who is a member of either the Employees' Retirement
11 System or Employees' Pension System on June 30, 2008, who transfers to the
12 Correctional Officers' Retirement System under this Act, is not governed by Title 37 of
13 the State Personnel and Pensions Article.

14 (c) The Board of Trustees shall transfer the total member contributions to
15 the individual's credit in either the Employees' Retirement System or Employees'
16 Pension System, plus regular interest, to the annuity savings fund of the Correctional
17 Officers' Retirement System.

18 (d) (1) (i) This section applies to an individual who, on June 30, 2008,
19 is:

20 1. a correctional laundry officer; or

21 2. serving as a Maryland Correctional Enterprises
22 officer, officer trainee, plant supervisor, plant manager, or regional manager;

23 (ii) transfers to the Correctional Officers' Retirement System
24 under this Act; and

25 (iii) at the time of transferring to the Correctional Officers'
26 Retirement System is a member of the Employees' Retirement System making
27 member contributions at the rate of 7% of the individual's earnable compensation.

28 (2) An individual described under paragraph (1) of this subsection
29 shall receive the difference between the member contributions at the rate provided for
30 in the Correctional Officers' Retirement System, including interest on those
31 contributions, and the total accumulated member contributions to the individual's
32 credit, plus interest on those contributions, in the annuity savings fund of the
33 Employees' Retirement System.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2008.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.