

HOUSE BILL 1114

K4

8lr2456

By: **Delegates Waldstreicher and Levy**
Introduced and read first time: February 7, 2008
Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Optional Defined Contribution System - Enrollment and Participation**

3 FOR the purpose of requiring certain State employees to make certain elections under
4 certain circumstances for enrollment in the Optional Defined Contribution
5 System; requiring certain State employees to file certain documents with the
6 State Board of Trustees of the Maryland Teachers and State Employees
7 Supplemental Retirement Plans; requiring certain State employees to make
8 certain contributions for certain investments; requiring the Board of Trustees to
9 adopt certain regulations; providing for the application of this Act; and
10 generally relating to State employees participating in the Optional Defined
11 Contribution System.

12 BY adding to
13 Article – State Personnel and Pensions
14 Section 32–203.1
15 Annotated Code of Maryland
16 (2004 Replacement Volume and 2007 Supplement)

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

19 **Article – State Personnel and Pensions**

20 **32–203.1.**

21 (A) IF THE SUPPLEMENTAL BOARD PROVIDES TARGET RETIREMENT
22 FUNDS AS AN INVESTMENT OPTION THROUGH THE STATE SUPPLEMENTAL
23 PLANS, AN ELIGIBLE EMPLOYEE SHALL ELECT TO:

24 (1) ENROLL IN THE TARGET RETIREMENT FUNDS; OR

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 **(2) DECLINE ENROLLMENT IN THE TARGET RETIREMENT FUNDS.**

2 **(B) AN ELIGIBLE EMPLOYEE WHO ELECTS TO DECLINE ENROLLMENT IN**
3 **THE TARGET RETIREMENT FUNDS SHALL:**

4 **(1) MAKE AN ELECTION IN WRITING ON A FORM PROVIDED BY THE**
5 **SUPPLEMENTAL BOARD, AT THE TIME THE ELIGIBLE EMPLOYEE ENROLLS IN**
6 **THE EMPLOYEES' PENSION SYSTEM; AND**

7 **(2) FILE THE ELECTION WITH THE SUPPLEMENTAL BOARD.**

8 **(C) (1) AN ELIGIBLE EMPLOYEE WHO DOES NOT ELECT TO DECLINE**
9 **ENROLLMENT IN THE TARGET RETIREMENT FUND SHALL MAKE EMPLOYEE**
10 **CONTRIBUTIONS EQUAL TO AT LEAST \$23 FROM THE ELIGIBLE EMPLOYEE'S**
11 **ANNUAL EARNABLE COMPENSATION EACH PAYROLL PERIOD IN ACCORDANCE**
12 **WITH § 32-204 OF THIS SUBTITLE.**

13 **(2) THE SUPPLEMENTAL BOARD SHALL ADOPT REGULATIONS TO**
14 **GOVERN DEPOSITING EMPLOYEE CONTRIBUTIONS UNDER PARAGRAPH (1) OF**
15 **THIS SUBSECTION AND ANY EMPLOYER CONTRIBUTIONS UNDER § 32-205(A) OF**
16 **THIS SUBTITLE INTO A TARGET RETIREMENT FUND THAT THE SUPPLEMENTAL**
17 **BOARD FINDS IS MOST APPROPRIATE, ASSUMING AGE 65 RETIREMENT, FOR THE**
18 **EMPLOYEE'S AGE AT THE TIME OF ENROLLMENT.**

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
20 construed to apply only prospectively and may not be applied or interpreted to have
21 any effect on or application to any individual who is enrolled in the Employees'
22 Pension System before the effective date of this Act.

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