

# SENATE BILL 480

K4  
SB 574/07 – B&T

8lr2598  
CF HB 554

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By: **Senators DeGrange, Jones, King, Madaleno, McFadden, and Munson**  
Introduced and read first time: February 1, 2008  
Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 25, 2008

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## 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)

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

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### 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.



**Article – State Personnel and Pensions**21–125.1.

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

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

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

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

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

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

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

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

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

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

25–201.

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

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

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

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

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

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

9 (b) This subtitle does not apply to:

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

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

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

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

20 25-401.

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

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

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

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

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

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

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

3 (v) **AN INDIVIDUAL SERVING AS A MARYLAND**  
4 **CORRECTIONAL ENTERPRISES OFFICER, OFFICER TRAINEE, PLANT**  
5 **SUPERVISOR, PLANT MANAGER, OR REGIONAL MANAGER; or**

6 [(v)] (vi) in a combination of these positions; and

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

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

12 29–302.

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

14 (1) normal retirement age for members of:

15 (i) the Employees' Retirement System;

16 (ii) the State Police Retirement System; and

17 (iii) the Teachers' Retirement System;

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

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

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

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

26 (iv) **AN INDIVIDUAL SERVING AS A MARYLAND**  
27 **CORRECTIONAL ENTERPRISES OFFICER, OFFICER TRAINEE, PLANT**  
28 **SUPERVISOR, PLANT MANAGER, OR REGIONAL MANAGER; OR**

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

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

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

3 (1) a correctional laundry officer; or

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

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

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

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

17 1. a correctional laundry officer; or

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

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

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

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

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