

BY: Budget and Taxation Committee

AMENDMENTS TO HOUSE BILL 775

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “requiring” in line 5 down through “circumstances,” in line 7; and strike beginning with “certain” in line 12 down through “of” in line 13.

AMENDMENT NO. 2

On pages 1 through 9, strike in their entirety the lines beginning with line 16 on page 1 through line 30 on page 9, inclusive.

AMENDMENT NO. 3

On page 9, after line 30, insert:

“SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That, notwithstanding any other provision of law:

(a) (1) In this section the following words have the meanings indicated.

(2) “Adjustment” means the dollar amount by which either the current allowance or initial allowance of an individual is adjusted on July 1 of each year under § 24–401(e) and Title 29, Subtitle 4 of the State Personnel and Pensions Article.

(3) “Current allowance” means the retirement allowance that an individual is receiving on June 30, 2010.

(4) “Individual” means a former member, retiree, or surviving beneficiary of a deceased member, former member or retiree of the several systems of the State Retirement and Pension System.

(Over)

(5) “Initial allowance” means:

(i) the retirement allowance computed at the time of a retirement of a former member or retiree of the several systems of the State Retirement and Pension System, including any modifications to the retirement allowance to reflect a retiree’s election to receive an optional form of allowance as provided under § 21–403 of the State Personnel and Pensions Article; or

(ii) the retirement allowance for a surviving beneficiary of a deceased member, former member, or retiree of the several systems of the State Retirement and Pension System computed at the time of death of the member, former member, or retiree.

(b) (1) This subsection applies to any individual who is subject to an annual retirement allowance adjustment under § 24–401(e) of the State Personnel and Pensions Article.

(2) If the fraction described under § 24–401(e)(2) of the State Personnel and Pensions Article that is used in the calculation to adjust an individual’s current allowance on July 1, 2010, is less than the fraction used to adjust an allowance on July 1, 2009, the adjustment to the current allowance shall equal \$0.00 on July 1, 2010.

(c) (1) This subsection applies to any individual who is subject to an annual retirement allowance adjustment under Title 29, Subtitle 4, Part II of the State Personnel and Pensions Article.

(2) If the fraction calculated under § 29–406 of the State Personnel and Pensions Article that is used in the calculation to adjust an individual’s initial allowance on July 1, 2010, is determined to be a negative fraction, the adjustment under § 29–406 of the State Personnel and Pensions Article to the current allowance shall equal \$0.00 on July 1, 2010.

(d) (1) This subsection applies to any individual who is subject to an annual retirement allowance adjustment under Title 29, Subtitle 4, Part III of the State Personnel and Pensions Article.

(2) If the fraction calculated under § 29–412 of the State Personnel and Pensions Article that is used in the calculation to adjust an individual’s initial allowance on July 1, 2010, is less than the fraction used to adjust an allowance on July 1, 2009, the adjustment under § 29–412 of the State Personnel and Pensions Article to the current allowance shall equal \$0.00 on July 1, 2010.

(e) (1) This subsection applies to any individual who is subject to an annual retirement allowance adjustment under Title 29, Subtitle 4, Part IV of the State Personnel and Pensions Article.

(2) If the fraction used to determine the rate under § 29–418 of the State Personnel and Pensions Article that is used in the calculation to adjust an individual’s current allowance on July 1, 2010, is less than one, the adjustment to the current allowance shall equal \$0.00 on July 1, 2010.

(f) (1) This subsection applies to any individual who is subject to an annual retirement allowance adjustment under Title 29, Subtitle 4, Part V of the State Personnel and Pensions Article.

(2) (i) If the fraction calculated under § 29–422(b)(1) of the State Personnel and Pensions Article that is used to adjust an individual’s initial allowance on July 1, 2010, is less than the fraction used to adjust an allowance on July 1, 2009, the adjustment to the current allowance for creditable service earned prior to the date that the retiree elected Selection C, as defined under § 22–221 of the State Personnel and Pensions Article, shall equal \$0.00 on July 1, 2010.

(Over)

(ii) If the fraction used to determine the rate under § 29–422(b)(2) of the State Personnel and Pensions Article that is used in the calculation to adjust an individual’s current allowance on July 1, 2010, is less than one, the adjustment to the current allowance for creditable service earned on or after the date that the retiree elected Selection C, as defined under § 22–221 of the State Personnel and Pensions Article, shall equal \$0.00 on July 1, 2010.

(3) (i) If the fraction used to determine the rate under § 29–422(c)(1) of the State Personnel and Pensions Article that is used in the calculation to adjust an individual’s current allowance on July 1, 2010, is less than one, the adjustment to the current allowance for creditable service earned prior to the date that the retiree elected Selection C, as defined under § 22–221 of the State Personnel and Pensions Article, shall equal \$0.00 on July 1, 2010.

(ii) If the fraction used to determine the rate under § 29–422(c)(2) of the State Personnel and Pensions Article that is used in the calculation to adjust an individual’s current allowance on July 1, 2010, is less than one, the adjustment to the current allowance for creditable service earned on or after the date that the retiree elected Selection C, as defined under § 22–221 of the State Personnel and Pensions Article, shall equal \$0.00 on July 1, 2010.

(g) (1) This subsection applies to any individual who is subject to an annual retirement allowance adjustment under Title 29, Subtitle 4, Part VI of the State Personnel and Pensions Article.

(2) If the fraction used to determine the rate under § 29–427 of the State Personnel and Pensions Article that is used in the calculation to adjust an individual’s current allowance on July 1, 2010, is less than one, the adjustment to the current allowance shall equal \$0.00 on July 1, 2010.

(h) (1) The Board of Trustees for the State Retirement and Pension System shall study:

(i) the effects that the Consumer Price Index (All Urban Consumers – United States City Average – All Items) as of December 31, 2009, as published by the United States Department of Labor Bureau of Labor Statistics, had on the annual retirement allowance adjustments applied to retirees of other public state pension plans; and

(ii) the actions other public state pension plans have taken in response to the effects that the Consumer Price Index (All Urban Consumers – United States City Average – All Items) as of December 31, 2009, as published by the United States Department of Labor Bureau of Labor Statistics, has had on the retirees and beneficiaries of deceased retirees of these plans.

(2) On or before October 1, 2010, the Board of Trustees shall submit a report in accordance with § 2-1246 of the State Government Article to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the Joint Committee on Pensions that provides:

(i) a summary of its findings under paragraph (1) of this subsection; and

(ii) recommendations to avoid benefit reductions to retirees of the several systems when the annual Consumer Price Index results in a decrease in annual retirement allowances for retirees and beneficiaries of deceased retirees of the several systems of the State Retirement and Pension System.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted. It shall remain effective through June 30, 2011, and, at the end

(Over)

of June 30, 2011, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.”