

SB0317/434367/1

BY: Appropriations Committee

AMENDMENTS TO SENATE BILL 317
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 5, after the semicolon insert “requiring that certain annual retirement allowances be reduced by a certain amount under certain circumstances;”; in line 11, after “of” insert “certain provisions of”; and after line 13, insert:

“BY repealing and reenacting, with amendments,

Article – State Personnel and Pensions

Section 24-401(e), 29–406, 29-407, 29–412, 29–418, and 29–427

Annotated Code of Maryland

(2009 Replacement Volume and 2009 Supplement)”.

AMENDMENT NO. 2

On page 1, in line 15, strike “, notwithstanding any other provision of law” and substitute “the Laws of Maryland read as follows”.

On pages 1 through 4, strike in their entirety the lines beginning with line 16 on page 1 through line 4 on page 4, inclusive.

AMENDMENT NO. 3

On page 4, after line 4, insert:

“Article – State Personnel and Pensions

24–401.

(e) (1) Subject to paragraph (2) of this subsection, a retiree, or a beneficiary of a retiree, who retires on or before June 30, 1999 with a service

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retirement allowance, shall receive an annual retirement allowance adjustment as of July 1, 1999, as follows:

(i) for a retiree who has been retired not more than 5 years, \$1,200;

(ii) for a retiree who has been retired more than 5 years but not more than 10 years, \$1,500;

(iii) for a retiree who has been retired more than 10 years but not more than 15 years, \$1,800; and

(iv) for a retiree who has been retired more than 15 years, \$2,100.

(2) [Each] EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, EACH fiscal year, the Board of Trustees shall increase the adjustment received by the retiree or the beneficiary as of July 1, 1999, by multiplying the adjustment by a fraction that has:

(i) as its numerator, the Consumer Price Index for the calendar year ending December 31 of the preceding fiscal year; and

(ii) as its denominator, the Consumer Price Index for the calendar year ending December 31, 1998.

(3) (1) FOR FISCAL YEAR 2011, IF THE ANNUAL RETIREMENT ALLOWANCE ADJUSTMENT THAT IS ADJUSTED AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION IS LESS THAN THE ANNUAL RETIREMENT ALLOWANCE ADJUSTMENT PAYABLE FOR FISCAL YEAR 2010, THE ANNUAL RETIREMENT ALLOWANCE ADJUSTMENT PAYABLE FOR FISCAL YEAR 2011 SHALL EQUAL THE

ANNUAL RETIREMENT ALLOWANCE ADJUSTMENT PAYABLE FOR FISCAL YEAR 2010.

(II) FOR FISCAL YEAR 2012, THE ANNUAL RETIREMENT ALLOWANCE ADJUSTMENT THAT IS ADJUSTED AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION SHALL BE REDUCED BY THE DIFFERENCE BETWEEN THE ANNUAL RETIREMENT ALLOWANCE ADJUSTMENT PAYABLE FOR FISCAL YEAR 2010 AND THE ANNUAL RETIREMENT ALLOWANCE ADJUSTMENT THAT WOULD HAVE BEEN PAYABLE FOR FISCAL YEAR 2011 IF IT HAD BEEN ADJUSTED UNDER PARAGRAPH (2) OF THIS SUBSECTION.

29-406.

(a) (1) [Subject] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION AND SUBJECT to subsection (c) of this section, the cost-of-living adjustment made under this Part II equals the initial allowance multiplied by a fraction that has:

[(1)] (I) as its numerator, the amount obtained by subtracting the Consumer Price Index for the calendar year ending December 31 of the preceding fiscal year from the base year Consumer Price Index described in subsection (b) of this section; and

[(2)] (II) as its denominator, the base year Consumer Price Index described in subsection (b) of this section.

(2) IF THE COST-OF-LIVING ADJUSTMENT DETERMINED UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR FISCAL YEAR 2011 WOULD RESULT IN AN ALLOWANCE PAYABLE FOR FISCAL YEAR 2011 THAT IS LESS THAN THE

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ALLOWANCE PAYABLE FOR FISCAL YEAR 2010, THE ANNUAL COST-OF-LIVING ADJUSTMENT FOR FISCAL YEAR 2011 SHALL EQUAL \$0.00.

(b) The base year Consumer Price Index referred to in subsection (a) of this section equals the later of:

(1) the Consumer Price Index for the calendar year ending December 31 of the fiscal year that preceded the last adjustment; or

(2) (i) for a retiree, the Consumer Price Index for the calendar year ending December 31 of the fiscal year in which the retiree was last employed as a member; or

(ii) for a former member who elected a vested allowance in accordance with § 29-303 of this title, the Consumer Price Index for the calendar year ending December 31 of the fiscal year in which the former member became 62 years old.

(c) The cost-of-living adjustment under this section may not exceed 3% of the initial allowance.

29-407.

(A) [The] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE total allowance payable in any fiscal year shall be the sum of:

(1) the initial allowance;

(2) all prior cost-of-living adjustments;

(3) the cost-of-living adjustment provided for under § 29-406 of this subtitle; and

(4) any additional annuity.

(B) FOR FISCAL YEAR 2012, THE ALLOWANCE PAYABLE AS PROVIDED IN SUBSECTION (A) OF THIS SECTION SHALL BE REDUCED BY THE DIFFERENCE BETWEEN THE ALLOWANCE PAYABLE FOR FISCAL YEAR 2010 AND THE ALLOWANCE THAT WOULD HAVE BEEN PAID FOR FISCAL YEAR 2011 IF THE COST-OF-LIVING ADJUSTMENT HAD BEEN CALCULATED AS PROVIDED UNDER § 29-406(A) OF THIS SUBTITLE.

29-412.

(A) [Subject] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION AND SUBJECT to § 29-413 of this subtitle, each fiscal year, the Board of Trustees shall adjust an initial allowance by multiplying the initial allowance by the fraction that has:

(1) as its numerator, the Consumer Price Index for the calendar year ending December 31 of the preceding fiscal year; and

(2) as its denominator:

(i) for a retiree, the beneficiary of a retiree, or the surviving spouse of a member, the Consumer Price Index for the calendar year ending December 31 of the fiscal year in which the retiree or member was last employed; or

(ii) for a former member or the beneficiary of a former member, the Consumer Price Index for the calendar year ending December 31 of the fiscal year in which the former member reaches normal retirement age.

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(B) FOR FISCAL YEAR 2011, IF THE ALLOWANCE ADJUSTED AS PROVIDED IN SUBSECTION (A) OF THIS SECTION IS LESS THAN THE ALLOWANCE PAYABLE FOR FISCAL YEAR 2010, THE ALLOWANCE PAYABLE FOR FISCAL YEAR 2011 SHALL EQUAL THE ALLOWANCE PAYABLE FOR FISCAL YEAR 2010.

(C) FOR FISCAL YEAR 2012, THE ALLOWANCE ADJUSTED AS PROVIDED IN SUBSECTION (A) OF THIS SECTION SHALL BE REDUCED BY THE DIFFERENCE BETWEEN THE ALLOWANCE PAYABLE FOR FISCAL YEAR 2010 AND THE ALLOWANCE THAT WOULD HAVE BEEN PAYABLE FOR FISCAL YEAR 2011 IF IT HAD BEEN ADJUSTED UNDER SUBSECTION (A) OF THIS SECTION.

29-418.

(a) (1) [Each] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, EACH fiscal year, the Board of Trustees shall adjust an allowance by multiplying the allowance for the preceding fiscal year, exclusive of any additional voluntary annuity, by a rate not exceeding 5%, that is obtained by dividing the Consumer Price Index for the calendar year ending December 31, in the preceding fiscal year by the Consumer Price Index for the calendar year ending December 31 in the second preceding fiscal year.

(2) IF THE ADJUSTMENT DETERMINED UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR FISCAL YEAR 2011 WOULD RESULT IN AN ALLOWANCE PAYABLE FOR FISCAL YEAR 2011 THAT IS LESS THAN THE ALLOWANCE FOR FISCAL YEAR 2010, THE ADJUSTMENT FOR FISCAL YEAR 2011 SHALL EQUAL \$0.00.

(b) The adjustment under subsection (a) of this section shall begin the second July 1 after the day preceding the retiree's date of retirement or the former member's effective date for receipt of a vested allowance.

(c) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE total allowance payable in each fiscal year shall be the sum of:

[(1)] (I) the annual rate of allowance paid during the preceding fiscal year;

[(2)] (II) the adjustment in allowance provided for under this section;
and

[(3)] (III) any additional annuity.

(2) FOR FISCAL YEAR 2012, THE ALLOWANCE PAYABLE AS PROVIDED IN SUBSECTION (A) OF THIS SECTION SHALL BE REDUCED BY THE DIFFERENCE BETWEEN THE ALLOWANCE PAYABLE FOR FISCAL YEAR 2010 AND THE ALLOWANCE THAT WOULD HAVE BEEN PAID FOR FISCAL YEAR 2011 IF THE ADJUSTMENT HAD BEEN CALCULATED AS PROVIDED UNDER SUBSECTION (A) OF THIS SECTION.

29-427.

(a) (1) [Each] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, EACH fiscal year, the Board of Trustees shall adjust an allowance by multiplying the allowance for the preceding fiscal year, exclusive of any additional voluntary annuity, by a rate not exceeding 3%, that is obtained by dividing the Consumer Price Index for the calendar year ending December 31 in the preceding fiscal year by the Consumer Price Index for the calendar year ending December 31 in the second preceding fiscal year.

(2) IF THE ADJUSTMENT DETERMINED UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR FISCAL YEAR 2011 WOULD RESULT IN AN ALLOWANCE PAYABLE FOR FISCAL YEAR 2011 THAT IS LESS THAN THE ALLOWANCE PAYABLE

(Over)

FOR FISCAL YEAR 2010, THE ADJUSTMENT FOR FISCAL YEAR 2011 SHALL EQUAL \$0.00.

(b) The adjustment under subsection (a) of this section shall begin the second July 1 after the day preceding the retiree's date of retirement or the former member's effective date for receipt of a vested allowance.

(c) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE total allowance payable in each fiscal year shall be the sum of:

[(1)] (I) the annual rate of allowance paid during the preceding fiscal year;

[(2)] (II) the adjustment in allowance provided for under this section;
and

[(3)] (III) any additional annuity.

(2) FOR FISCAL YEAR 2012, THE ALLOWANCE PAYABLE AS PROVIDED IN SUBSECTION (A) OF THIS SECTION SHALL BE REDUCED BY THE DIFFERENCE BETWEEN THE ALLOWANCE PAYABLE FOR FISCAL YEAR 2010 AND THE ALLOWANCE THAT WOULD HAVE BEEN PAID FOR FISCAL YEAR 2011 IF THE ADJUSTMENT HAD BEEN CALCULATED AS PROVIDED UNDER SUBSECTION (A) OF THIS SECTION.

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

AMENDMENT NO. 4

On page 4, in line 5, strike "(h) (1)" and substitute "(a)"; in lines 7 and 12, strike "(i)" and "(ii)", respectively, and substitute "(1)" and "(2)", respectively; in line 17,

strike “(2)” and substitute “(b)”; in lines 21 and 23, strike “(i)” and “(ii)”, respectively, and substitute “(1)” and “(2)”, respectively; after line 26, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall remain effective through December 31, 2010, and, at the end of December 31, 2010, with no further action required by the General Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall remain effective through December 31, 2014, and, at the end of December 31, 2014, with no further action required by the General Assembly, Section 1 of this Act shall be abrogated and of no further force and effect.”;

in line 27, strike “2.” and substitute “5.”; and strike beginning with “It” in line 31 down through “effect.” in line 33.