

HOUSE BILL 303

K4

1lr1177

By: **Delegates Stocksdale, Bates, Boteler, and Minnick**

Introduced and read first time: February 2, 2011

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Employee Contribution Rate**

3 FOR the purpose of altering the employee contribution rate for certain members of the
4 State Retirement and Pension System; and generally relating to the employee
5 contribution rates of the several systems of the State Retirement and Pension
6 System.

7 BY repealing and reenacting, with amendments,
8 Article – State Personnel and Pensions
9 Section 23–212, 25–203, 26–204, and 27–202
10 Annotated Code of Maryland
11 (2009 Replacement Volume and 2010 Supplement)

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

14 **Article – State Personnel and Pensions**

15 23–212.

16 (a) Except as otherwise provided in this section, a member's contribution
17 rate is 5% of the part of the member's earnable compensation that exceeds the taxable
18 wage base for each year.

19 (b) The contribution rate of a member who is subject to the contributory
20 pension benefit under Part II of this subtitle is 2% of the member's earnable
21 compensation.

22 (c) The contribution rate of a member who is subject to the Alternate
23 Contributory Pension Selection under Part III of this subtitle is:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) 3% of the member's earnable compensation received from July 1,
2 2006 to June 30, 2007, both inclusive;

3 (2) 4% of the member's earnable compensation received from July 1,
4 2007 to June 30, 2008, both inclusive; [and]

5 (3) 5% of the member's earnable compensation received [on or after]
6 **FROM July 1, 2008 TO JUNE 30, 2011, BOTH INCLUSIVE; AND**

7 **(4) 7% OF THE MEMBER'S EARNABLE COMPENSATION RECEIVED**
8 **ON OR AFTER JULY 1, 2011.**

9 25–203.

10 **(A) [A] ON OR BEFORE JUNE 30, 2011, A member's contribution rate is**
11 **5% of the member's earnable compensation.**

12 **(B) ON OR AFTER JULY 1, 2011, A MEMBER'S CONTRIBUTION RATE IS**
13 **7% OF THE MEMBER'S EARNABLE COMPENSATION.**

14 26–204.

15 (a) Except as provided in subsection (b) of this [section,] **SECTION:**

16 **(1) ON OR BEFORE JUNE 30, 2011, a member's contribution rate is**
17 **4% of the member's earnable compensation; AND**

18 **(2) ON OR AFTER JULY 1, 2011, A MEMBER'S CONTRIBUTION**
19 **RATE IS 7% OF THE MEMBER'S EARNABLE COMPENSATION.**

20 (b) (1) This subsection applies only to a member who:

21 (i) transferred to the Law Enforcement Officers' Pension
22 System from the Employees' Retirement System on or after January 1, 2001, and on or
23 before December 31, 2004; or

24 (ii) 1. transferred to the Law Enforcement Officers' Pension
25 System from the Employees' Retirement System on or before December 31, 2000; and

26 2. did not elect to participate in the Law Enforcement
27 Officers' Modified Pension Benefit on or before December 31, 2000 as provided in
28 § 26–211 of this subtitle.

29 (2) The contribution rate for a member who has transferred from the
30 Employees' Retirement System is the rate set under:

1 (i) Section 22–214(a) of this article, for a member who had
2 elected Selection A (Additional member contributions) under § 22–219 of this article;
3 or

4 (ii) Section 22–214(b) of this article, for a member who had
5 elected Selection B (Limited cost–of–living adjustment) under § 22–220 of this article.
6 27–202.

7 (a) Except as provided in subsection (b) of this [section,] **SECTION:**

8 **(1) ON OR BEFORE JUNE 30, 2011,** a member’s contribution rate is
9 6% of the member’s earnable compensation; **AND**

10 **(2) ON OR AFTER JULY 1, 2011, A MEMBER’S CONTRIBUTION**
11 **RATE IS 7% OF THE MEMBER’S EARNABLE COMPENSATION.**

12 (b) After 16 years of service as a member, a member does not make any
13 further contributions.

14 **SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall take effect
15 July 1, 2011.