#### HB0249/494667/1

#### BY: Appropriations Committee

## <u>AMENDMENTS TO HOUSE BILL 249</u> (First Reading File Bill)

#### AMENDMENT NO. 1

On page 1, in line 2, after "System -" insert "<u>Compensation</u>,"; in the same line, strike "for New Members" and substitute "<u>, and Vesting Requirements</u>"; in line 3, after the first "of" insert "<u>altering the process under which the salary recommendations of the Judicial Compensation Commission go into effect</u>;"; strike beginning with "individuals" in line 3 down through "become" in line 4; in line 4, strike "on or after a certain date"; in line 5, before "and" insert "<u>requiring individuals who become members of the Judges' Retirement System on or after a certain date to earn a certain amount of eligibility service before becoming eligible to receive a vested allowance;";</u>

after line 5, insert:

"<u>BY repealing and reenacting, with amendments,</u> <u>Article - Courts and Judicial Proceedings</u> <u>Section 1-708</u> <u>Annotated Code of Maryland</u> (2006 Replacement Volume and 2011 Supplement)";

and after line 10, insert:

"<u>BY repealing</u>

<u>Article - State Personnel and Pensions</u> <u>Section 29-301</u> <u>Annotated Code of Maryland</u> (2009 Replacement Volume and 2011 Supplement)

## HB0249/494667/1 Amendments to HB 249 Page 2 of 7

APP

BY adding to

<u>Article – State Personnel and Pensions</u> <u>Section 29-301</u> <u>Annotated Code of Maryland</u> (2009 Replacement Volume and 2011 Supplement)".

AMENDMENT NO. 2

On page 1, after line 12, insert:

# "<u>Article – Courts and Judicial Proceedings</u>

<u>1–708.</u>

(a) The salaries and pensions of the judges of the Court of Appeals, the Court of Special Appeals, the circuit courts of the counties, and the District Court shall be established as provided by this section, §§ 1–701 through 1–707 of this subtitle, and Title 27 of the State Personnel and Pensions Article.

(b) (1) There is a Judicial Compensation Commission. The Commission shall study and make recommendations with respect to all aspects of judicial compensation, to the end that the judicial compensation structure shall be adequate to assure that highly qualified persons will be attracted to the bench and will continue to serve there without unreasonable economic hardship.

(2) The Commission consists of seven members appointed by the Governor. No more than three members of the Commission may be individuals admitted to practice law in this State. In nominating and appointing members, special consideration shall be given to individuals who have knowledge of compensation practices and financial matters. The Governor shall appoint:

(i) <u>Two members from a list of the names of at least five</u> nominees submitted by the President of the Senate;

## HB0249/494667/1 Amendments to HB 249 Page 3 of 7

APP

(ii) <u>Two from a list of the names of at least five nominees</u> submitted by the Speaker of the House of Delegates;

(iii) <u>One from a list of the names of at least three nominees</u> submitted by the Maryland State Bar Association, Inc.; and

(iv) <u>Two at large.</u>

(3) <u>A member of the General Assembly, officer or employee of the</u> <u>State or a political subdivision of the State, or judge or former judge is not eligible for</u> <u>appointment to the Commission.</u>

(4) The term of a member is 6 years, commencing July 1, 1980, and until the member's successor is appointed. However, of the members first appointed to the Commission, the Governor shall designate one of the members nominated by the President of the Senate to serve for 3 years and one for 6 years; one of the members nominated by the Speaker to serve for 4 years and one for 5 years; the member nominated by the Maryland State Bar Association, Inc., to serve for 3 years; and one of the members at large to serve for 2 years, and one for 6 years. A member is eligible for reappointment.

(5) <u>Members of the Commission serve without compensation, but shall</u> <u>be reimbursed for reasonable expenses incurred in carrying out their responsibilities</u> <u>under this section.</u>

(6) <u>The members of the Commission shall elect a member as chairman</u> of the Commission.

(7) The concurrence of at least five members is required for any formal Commission action.

(Over)

(8) The Commission may request and receive assistance and information from any unit of State government.

APP

(c) On or after September 1, 2011, September 1, 2013, and every 4 years thereafter, the Commission shall review the salaries and pensions of the judges of the courts listed in subsection (a) of this section and make written recommendations to the Governor and General Assembly on or before the next ensuing regular session of the General Assembly. The Governor shall include in the budget for the next ensuing fiscal year the funding necessary to implement those recommendations, contingent on action by the General Assembly under subsections (d) and (e) of this section.

(d) The salary recommendations made by the Commission shall be (1)introduced as a joint resolution in each House of the General Assembly not later than the fifteenth day of the session. The General Assembly may amend the joint resolution to decrease any of the Commission salary recommendations, but no reduction may diminish the salary of a judge during his continuance in office. The General Assembly may not amend the joint resolution to increase the recommended salaries. If the General Assembly fails to adopt or amend the joint resolution within 50 days after its introduction, the salaries recommended by the Commission shall apply. If the joint resolution is adopted or amended in accordance with this section within 50 days after its introduction, the salaries so provided shall apply.] THE JOINT RESOLUTION SHALL BECOME EFFECTIVE ONLY IF PASSED BY THE GENERAL ASSEMBLY. If the General Assembly [rejects] FAILS TO ADOPT OR AMEND any or all of the Commission's salary recommendations CONTAINED IN THE JOINT RESOLUTION, the salaries of the judges affected remain unchanged, unless modified under other provisions of law.

(2) <u>The Governor or the General Assembly may not increase the</u> recommended salaries, except as provided under § 1–703(b) of this subtitle. (e) <u>The recommendation of the Commission as to pensions shall be</u> <u>introduced by the presiding officers of the Senate and the House of Delegates in the</u> <u>form of legislation, and shall become effective only if passed by both Houses.</u>

(f) Any change in salaries or pensions adopted by the General Assembly under this section takes effect as of the July 1 of the year next following the year in which the Commission makes its recommendations.

(g) This section does not affect § 1–702(b), § 1–703(b), or §§ 1–705 through 1– 707 of this subtitle, or Title 27 of the State Personnel and Pensions Article.".

### AMENDMENT NO. 3

On page 1, in line 15, strike the brackets; in the same line, strike "SUBSECTIONS (B) AND (C)"; in line 16, strike "6%" and substitute "<u>8%</u>"; and strike beginning with "THE" in line 17 down through "(C)" in line 20.

## AMENDMENT NO. 4

On page 1, after line 21, insert:

### "<u>[29–301.</u>

This subtitle does not apply to the Judges' Retirement System.]

### <u>29-301.</u>

# (A) THIS SECTION APPLIES ONLY TO A MEMBERS OF THE JUDGES' RETIREMENT SYSTEM WHO BECOMES A MEMBER ON OR AFTER JULY 1, 2012.

## (B) (1) A MEMBER MAY ELECT TO RECEIVE A VESTED ALLOWANCE IF:

HB0249/494667/1 Amendments to HB 249 Page 6 of 7

# (I) THE MEMBER IS SEPARATED FROM EMPLOYMENT OTHER THAN BY DEATH OR RETIREMENT; AND

APP

(II) THE MEMBER HAS AT LEAST 5 YEARS OF ELIGIBILITY SERVICE.

(2) <u>A MEMBER IS DEEMED TO HAVE ELECTED A VESTED</u> <u>ALLOWANCE, UNLESS THE MEMBER REQUESTS THE RETURN OF THE</u> <u>ACCUMULATED CONTRIBUTIONS BEFORE MEMBERSHIP ENDS.</u>

(C) <u>A VESTED ALLOWANCE IS A DEFERRED ALLOWANCE STARTING AT</u> <u>AGE 60.</u>

(D) A VESTED ALLOWANCE:

(1) IS COMPUTED AS A RETIREMENT ALLOWANCE UNDER § 27-402 OF THIS ARTICLE ON THE BASIS OF THE FORMER MEMBER'S CREDITABLE SERVICE AT THE TIME OF SEPARATION FROM EMPLOYMENT; AND

(2) MAY BE PAID IN ONE OF THE OPTIONAL FORMS OF ALLOWANCES UNDER § 21–403 OF THIS ARTICLE, IF AT RETIREMENT, THE MEMBER DOES NOT HAVE A SPOUSE OR CHILD UNDER THE AGE OF 18.

(E) (1) IF A FORMER MEMBER WHO ELECTED A VESTED ALLOWANCE REQUESTS THE RETURN OF ACCUMULATED CONTRIBUTIONS BEFORE PAYMENT OF THE VESTED ALLOWANCE BEGINS, THE BOARD OF TRUSTEES SHALL RETURN THE ACCUMULATED CONTRIBUTIONS TO THE FORMER MEMBER. HB0249/494667/1 Amendments to HB 249 Page 7 of 7

(2) WHEN ACCUMULATED CONTRIBUTIONS ARE RETURNED TO A FORMER MEMBER, THE FORMER MEMBER IS NOT ENTITLED TO FURTHER BENEFITS ON ACCOUNT OF THE FORMER MEMBER'S PREVIOUS MEMBERSHIP.".

APP