

Chapter 485

(Senate Bill 335)

AN ACT concerning

Judges' Retirement System – Contribution Rates ~~for New Members~~ and Vesting Requirements

FOR the purpose of altering the rate of member contributions for ~~individuals who become members of the Judges' Retirement System on or after a certain date; altering the rate of member contributions for certain members of the Judges' Retirement System; providing for the effective date of certain provisions of this Act; 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 certain retirement allowances; altering the calculation of a normal service retirement allowance for certain members in the Judges' Retirement System;~~ and generally relating to the Judges' Retirement System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section ~~27–202, 27–401, and 27–402(c)~~
Annotated Code of Maryland
(2009 Replacement Volume and 2011 Supplement)

~~BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section ~~27–202~~
Annotated Code of Maryland
(2009 Replacement Volume and 2011 Supplement)
(As enacted by Section 1 of this Act)~~

BY repealing
Article – State Personnel and Pensions
Section ~~29–301~~
Annotated Code of Maryland
(2009 Replacement Volume and 2011 Supplement)

BY adding to
Article – State Personnel and Pensions
Section ~~29–301~~
Annotated Code of Maryland
(2009 Replacement Volume and 2011 Supplement)

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

Article – State Personnel and Pensions

27-202.

(a) Except as provided in ~~subsection (b)] SUBSECTIONS (B) AND (C)~~ of this section, a member's contribution rate is ~~6%~~ 8% of the member's earnable compensation.

~~(b) THE CONTRIBUTION RATE FOR AN INDIVIDUAL WHO BECOMES A MEMBER ON OR AFTER JULY 1, 2012, IS 8% OF THE MEMBER'S EARNABLE COMPENSATION.~~

~~(c) After 16 years of service as a member, a member does not make any further contributions.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:~~

~~**Article – State Personnel and Pensions**~~

~~27-202.~~

~~(a) Except as provided in [subsections (b) and (c)] SUBSECTION (B) of this section, a member's contribution rate is [6%] 8% of the member's earnable compensation.~~

~~(b) [The contribution rate for an individual who becomes a member on or after July 1, 2012, is 8% of the member's earnable compensation.~~

~~(c) After 16 years of service as a member, a member does not make any further contributions.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2013.~~

27-401.

(A) (1) THIS SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHO IS A MEMBER OF THE JUDGES' RETIREMENT SYSTEM ON OR BEFORE JUNE 30, 2012.

(2) A member or former member is entitled to a retirement allowance:

~~[(1)] (I)~~ on termination of service, if the member is at least 60 years old;

~~[(2)] (II)~~ on the recommendation of the medical board, if the member or former member resigns because of disability;

~~[(3)] (III)~~ when retired by order of the Court of Appeals; or

~~[(4)] (IV)~~ at the age of 60 years, if the former member's termination of service occurred earlier.

(B) (1) THIS SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHO BECOMES A MEMBER OF THE JUDGES' RETIREMENT SYSTEM ON OR AFTER JULY 1, 2012.

(2) A MEMBER OR FORMER MEMBER IS ENTITLED TO A RETIREMENT ALLOWANCE:

(I) ON TERMINATION OF SERVICE, IF THE MEMBER IS AT LEAST 60 YEARS OLD AND HAS AT LEAST 5 YEARS OF ELIGIBILITY SERVICE;

(II) ON THE RECOMMENDATION OF THE MEDICAL BOARD, IF THE MEMBER OR FORMER MEMBER RESIGNS BECAUSE OF DISABILITY;

(III) WHEN RETIRED BY ORDER OF THE COURT OF APPEALS;
OR

(IV) AT THE AGE OF 60 YEARS, IF THE FORMER MEMBER'S TERMINATION OF SERVICE OCCURRED EARLIER AND THE FORMER MEMBER HAD AT LEAST 5 YEARS OF ELIGIBILITY SERVICE WHEN THE FORMER MEMBER TERMINATED SERVICE.

27-402.

(c) (1) (I) THIS PARAGRAPH APPLIES ONLY TO AN INDIVIDUAL WHO IS A MEMBER OF THE JUDGES' RETIREMENT SYSTEM ON OR BEFORE JUNE 30, 2012.

(II) On retirement under this subtitle by a retiree who has less than 16 years of service credit as a member, the retiree is entitled to a reduced retirement allowance that equals the retirement allowance computed under subsection (a) or (b) of this section multiplied by a fraction that has:

[(1)] 1. for its numerator, the number of years of service credit as a member; and

[(2)] 2. for its denominator, 16.

(2) (I) THIS PARAGRAPH APPLIES ONLY TO AN INDIVIDUAL WHO BECOMES A MEMBER OF THE JUDGES' RETIREMENT SYSTEM ON OR AFTER JULY 1, 2012.

(II) ON RETIREMENT UNDER THIS SUBTITLE BY A RETIREE WHO HAS AT LEAST 5 YEARS BUT LESS THAN 16 YEARS OF SERVICE CREDIT AS A MEMBER, THE RETIREE IS ENTITLED TO A REDUCED RETIREMENT ALLOWANCE THAT EQUALS THE RETIREMENT ALLOWANCE COMPUTED UNDER SUBSECTION (A) OR (B) OF THIS SECTION MULTIPLIED BY A FRACTION THAT HAS:

1. FOR ITS NUMERATOR, THE NUMBER OF YEARS OF SERVICE CREDIT AS A MEMBER; AND

2. FOR ITS DENOMINATOR, 16.

[29-301.

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

29-301.

(A) THIS SECTION APPLIES ONLY TO A MEMBER 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:

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

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

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

(C) A VESTED ALLOWANCE IS A DEFERRED ALLOWANCE STARTING AT AGE 60.

(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.

(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.

SECTION ~~2~~ 4 ~~2~~. AND BE IT FURTHER ENACTED, That, ~~except as provided in Section 3 of this Act,~~ this Act shall take effect July 1, 2012.

Approved by the Governor, May 22, 2012.