

## Chapter 561

(Senate Bill 672)

AN ACT concerning

### State Retirement and Pension System – Investment Division – Salary Setting

FOR the purpose of authorizing the Board of Trustees of the State Retirement and Pension System to determine the qualifications, appointment, and compensation for certain employees in the Investment Division of the State Retirement Agency; specifying the positions to which the authority applies; prohibiting the Board of Trustees from setting the salary of an employee above a certain amount; prohibiting the Board of Trustees from granting bonuses under certain authority; prohibiting the Board of Trustees from increasing the salary of certain employees by more than a certain amount in a fiscal year; requiring the State Retirement Agency to submit a certain report concerning salaries of certain professional staff in the Investment Division and certain professional staff who terminated employment in the Investment Division during a certain fiscal year; ~~providing for the termination of this Act;~~ and generally relating to the State Retirement Agency.

BY repealing and reenacting, with amendments,  
 Article – State Personnel and Pensions  
 Section 21–122(a)  
 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

21–122.

(a) (1) There is an Investment Division in the State Retirement Agency.

(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE BOARD OF TRUSTEES SHALL DETERMINE THE QUALIFICATIONS AND COMPENSATION FOR THE FOLLOWING POSITIONS WITHIN THE INVESTMENT DIVISION:

(I) DEPUTY CHIEF INVESTMENT OFFICER; AND

(II) MANAGING DIRECTOR.

**(3) THE BOARD OF TRUSTEES MAY NOT:**

**(I) SET OR INCREASE THE SALARY FOR THE DEPUTY CHIEF INVESTMENT OFFICER AT AN AMOUNT GREATER THAN THE MAXIMUM SALARY UNDER THE ~~ES10~~ ES11 SCALE OF THE MARYLAND EXECUTIVE PAY PLAN;**

**(II) SET OR INCREASE THE SALARY FOR A MANAGING DIRECTOR AT AN AMOUNT GREATER THAN THE MAXIMUM SALARY UNDER THE ~~ES8~~ ES9 SCALE OF THE MARYLAND EXECUTIVE PAY PLAN;**

**(III) PROVIDE BONUSES FOR AN EMPLOYEE; OR**

**(IV) SUBJECT TO THE LIMITATIONS UNDER ITEMS (I) AND (II) OF THIS PARAGRAPH, SET OR INCREASE THE SALARY FOR A POSITION THAT PROVIDES MORE THAN A 10% INCREASE OVER THE LOWEST SALARY FOR THE POSITION IN THE PRIOR FISCAL YEAR.**

**(4) ON OR BEFORE OCTOBER 1, 2012, AND EACH OCTOBER 1 THEREAFTER, THE BOARD OF TRUSTEES SHALL REPORT TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE JOINT COMMITTEE ON PENSIONS, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE ON:**

**(I) THE CURRENT SALARIES OF THE DEPUTY CHIEF INVESTMENT OFFICER AND THE MANAGING DIRECTORS OF THE INVESTMENT DIVISION;**

**(II) ANY SALARY INCREASES THE DEPUTY CHIEF INVESTMENT OFFICER OR MANAGING DIRECTORS OF THE INVESTMENT DIVISION HAVE RECEIVED IN THE FISCAL YEAR IMMEDIATELY PRECEDING THAT OCTOBER 1; AND**

**(III) 1. THE NUMBER OF INDIVIDUALS IN THE INVESTMENT DIVISION OF THE STATE RETIREMENT AGENCY WHO WERE EMPLOYED AS PROFESSIONAL INVESTMENT STAFF AND TERMINATED EMPLOYMENT WITH THE STATE RETIREMENT AGENCY IN THE FISCAL YEAR IMMEDIATELY PRECEDING THAT OCTOBER 1;**

**2. THE NUMBER OF YEARS OF EMPLOYMENT AN INDIVIDUAL DESCRIBED IN ITEM 1 OF THIS ITEM HAD ACCRUED WITH THE STATE RETIREMENT AGENCY AT THE TIME THE INDIVIDUAL TERMINATED EMPLOYMENT WITH THE STATE RETIREMENT AGENCY; AND**

**3. TO THE EXTENT POSSIBLE, THE NEW EMPLOYER, POSITION, AND SALARY THE INDIVIDUAL DESCRIBED IN ITEM 1 OF THIS ITEM ACCEPTED UPON TERMINATING EMPLOYMENT WITH THE STATE RETIREMENT AGENCY.**

~~SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1, 2012, and each October 1 thereafter, the Maryland State Retirement Agency shall report to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the Joint Committee on Pensions, in accordance with § 2-1246 of the State Government Article, on the salaries and any increases to salaries in the Investment Division of the State Retirement Agency.~~

~~SECTION ~~3~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2012. It shall remain effective for a period of 3 years and, at the end of June 30, 2015, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~

**Approved by the Governor, May 22, 2012.**