

# SENATE BILL 674

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By: **Senators Edwards and Mathias**

Introduced and read first time: February 1, 2013

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 12, 2013

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Employees' Pension System – Elected or Appointed Officials – ~~Optional~~**  
3 **Membership**

4 FOR the purpose of ~~providing that certain elected or appointed officials whose~~  
5 ~~employers are participating employers of the State Retirement and Pension~~  
6 ~~System may elect to join the Employees' Pension System within a certain period~~  
7 ~~of time; providing that certain elected or appointed officials whose employers~~  
8 ~~are participating employers of the State Retirement and Pension System may~~  
9 ~~elect to cease membership in the Employees' Pension System within a certain~~  
10 ~~period of time; requiring certain elected or appointed officials who make an~~  
11 ~~election to join or an election to cease membership to complete a certain form~~  
12 ~~and file it with the Board of Trustees for the State Retirement and Pension~~  
13 ~~System; providing that certain elected or appointed officials who do not make an~~  
14 ~~election to join within a certain period of time may not join the Employees'~~  
15 ~~Pension System; providing that certain elected or appointed officials who do not~~  
16 ~~make an election to cease membership within a certain period of time remain~~  
17 ~~members in the Employees' Pension System; requiring the Board of Trustees to~~  
18 ~~adopt certain regulations; defining a certain term; prohibiting certain~~  
19 individuals who are serving in certain elected or appointed positions from being  
20 members of the Employees' Pension System while serving in those positions;  
21 and generally relating to ~~optional~~ membership for elected or appointed officials  
22 in the Employees' Pension System.

23 ~~BY adding to~~  
24 ~~Article – State Personnel and Pensions~~

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



~~Section 23-204.1~~  
~~Annotated Code of Maryland~~  
~~(2009 Replacement Volume and 2012 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~~

~~23-204.1.~~

~~(A) IN THIS SECTION, “ELECTED OR APPOINTED OFFICIAL” MEANS AN INDIVIDUAL EMPLOYED BY A PARTICIPATING EMPLOYER AS:~~

~~(1) A STATE’S ATTORNEY;~~

~~(2) A SHERIFF, OTHER THAN THE BALTIMORE CITY SHERIFF;~~

~~(3) AN ELECTED OFFICIAL OF A COUNTY OR MUNICIPAL CORPORATION;~~

~~(4) AN ORPHANS’ COURT JUDGE FOR A COUNTY THAT IS NOT REQUIRED TO PAY A PENSION UNDER § 2-108(Y) OF THE ESTATES AND TRUSTS ARTICLE;~~

~~(5) A MEMBER OF A BOARD THAT REGULATES GAMING UNDER TITLE 13 OF THE CRIMINAL LAW ARTICLE; OR~~

~~(6) A MEMBER OF A LOCAL LICENSING BOARD AS DEFINED IN ARTICLE 2B, § 1-101 OF THE CODE.~~

~~(B) (1) (i) MEMBERSHIP IN THE EMPLOYEES’ PENSION SYSTEM IS OPTIONAL FOR AN INDIVIDUAL WHO:~~

~~1. IS SERVING AS AN ELECTED OR APPOINTED OFFICIAL ON OR AFTER JULY 1, 2011;~~

~~2. REMAINS IN THE SAME ELECTED OR APPOINTED POSITION ON JULY 1, 2013; AND~~

~~3. IS NOT ENROLLED IN THE EMPLOYEES’ PENSION SYSTEM.~~

~~(ii) AN INDIVIDUAL UNDER SUBPARAGRAPH (i) OF THIS PARAGRAPH WHO ELECTS TO JOIN THE EMPLOYEES’ PENSION SYSTEM MUST~~

~~1 MAKE THE ELECTION IN WRITING ON A FORM PROVIDED BY THE BOARD OF  
2 TRUSTEES AND MUST FILE THE FORM WITH THE BOARD OF TRUSTEES ON OR  
3 BEFORE SEPTEMBER 30, 2013.~~

~~4 (H) AN INDIVIDUAL WHO DOES NOT ELECT TO JOIN THE  
5 EMPLOYEES' PENSION SYSTEM AS PROVIDED UNDER SUBPARAGRAPH (H) IF  
6 THIS PARAGRAPH MAY NOT JOIN THE EMPLOYEES' PENSION SYSTEM AS AN  
7 ELECTED OR APPOINTED OFFICIAL WHILE SERVING IN THE SAME ELECTED OR  
8 APPOINTED POSITION.~~

~~9 (2) (I) MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM IS  
10 OPTIONAL FOR AN INDIVIDUAL WHO:~~

~~11 1. BEGINS SERVING AS AN ELECTED OR APPOINTED  
12 OFFICIAL ON OR AFTER JULY 1, 2013; OR~~

~~13 2. A. WAS SERVING AS AN ELECTED OR  
14 APPOINTED OFFICIAL ON OR AFTER JULY 1, 2011;~~

~~15 B. BEGINS SERVING AS AN ELECTED OR APPOINTED  
16 OFFICIAL IN A DIFFERENT POSITION ON OR AFTER JULY 1, 2013; AND~~

~~17 C. IS NOT ENROLLED IN THE EMPLOYEES' PENSION  
18 SYSTEM.~~

~~19 (H) AN INDIVIDUAL UNDER SUBPARAGRAPH (I) OF THIS  
20 PARAGRAPH WHO ELECTS TO JOIN THE EMPLOYEES' PENSION SYSTEM MUST  
21 MAKE THE ELECTION IN WRITING ON A FORM PROVIDED BY THE BOARD OF  
22 TRUSTEES AND MUST FILE THE FORM WITH THE BOARD OF TRUSTEES WITHIN 3  
23 MONTHS OF BECOMING AN ELECTED OR APPOINTED OFFICIAL IN A NEW OR  
24 DIFFERENT POSITION ON OR AFTER JULY 1, 2013.~~

~~25 (H) AN INDIVIDUAL WHO DOES NOT ELECT TO JOIN THE  
26 EMPLOYEES' PENSION SYSTEM AS PROVIDED UNDER SUBPARAGRAPH (H) OF  
27 THIS PARAGRAPH MAY NOT JOIN THE EMPLOYEES' PENSION SYSTEM AS AN  
28 ELECTED OR APPOINTED OFFICIAL WHILE SERVING IN THAT ELECTED OR  
29 APPOINTED POSITION.~~

~~30 (3) AN ELECTED OR APPOINTED OFFICIAL'S ELECTION UNDER  
31 THIS SUBSECTION TO JOIN THE EMPLOYEES' PENSION SYSTEM IS A ONE TIME,  
32 IRREVOCABLE ELECTION.~~

~~33 (C) (1) THIS SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHO:~~

1 ~~(I) IS AN ELECTED OR APPOINTED OFFICIAL ON OR AFTER~~  
2 ~~JULY 1, 2011, AND REMAINS AN ELECTED OR APPOINTED OFFICIAL ON JULY 1,~~  
3 ~~2013; AND~~

4 ~~(II) IS A MEMBER OF THE EMPLOYEES' PENSION SYSTEM.~~

5 ~~(2) AN ELECTED OR APPOINTED OFFICIAL UNDER PARAGRAPH~~  
6 ~~(1) OF THIS SUBSECTION MAY ELECT TO CEASE BEING A MEMBER IN THE~~  
7 ~~EMPLOYEES' PENSION SYSTEM AT THE START OF THE OFFICIAL'S NEW TERM OF~~  
8 ~~OFFICE.~~

9 ~~(3) AN ELECTION TO TERMINATE MEMBERSHIP IN THE~~  
10 ~~EMPLOYEES' PENSION SYSTEM SHALL BE MADE IN WRITING ON A FORM~~  
11 ~~PROVIDED BY THE BOARD OF TRUSTEES AND FILED WITH THE BOARD OF~~  
12 ~~TRUSTEES PROMPTLY AFTER THE START OF THE OFFICIAL'S NEW TERM OF~~  
13 ~~OFFICE.~~

14 ~~(4) AN ELECTED OR APPOINTED OFFICIAL'S ELECTION UNDER~~  
15 ~~THIS SUBSECTION TO TERMINATE MEMBERSHIP IN THE EMPLOYEES' PENSION~~  
16 ~~SYSTEM IS A ONE-TIME, IRREVOCABLE ELECTION.~~

17 ~~(5) AN ELECTED OR APPOINTED OFFICIAL WHO DOES NOT ELECT~~  
18 ~~TO TERMINATE MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM REMAINS A~~  
19 ~~MEMBER IN THE EMPLOYEES' PENSION SYSTEM.~~

20 ~~(D) THE BOARD OF TRUSTEES SHALL ADOPT REGULATIONS TO CARRY~~  
21 ~~OUT THIS SECTION.~~

22 (a) This section applies to an individual:

23 (1) (i) who, on or after July 1, 2011, was serving as an elected or  
24 appointed official of a municipality that became a participating governmental unit on  
25 or after July 1, 2006, and remains in the same elected or appointed position on July 1,  
26 2013;

27 (ii) for whom no member or employer contributions have been  
28 made with respect to the individual's service as an elected or appointed official; and

29 (iii) who has not been enrolled in the Employees' Pension System  
30 on or before June 30, 2013; or

31 (2) (i) who, on or after July 1, 2011, was serving as an orphans'  
32 court judge in a county not required to provide a pension under § 2-108 of the Estates  
33 and Trusts Article and remains an orphans' court judge on July 1, 2013;

1                   (ii) for whom no member or employer contributions have been  
2 made with respect to the individual's service as an orphan's court judge; and

3                   (iii) who has not been enrolled in the Employees' Pension System  
4 on or before June 30, 2013.

5           (b) Notwithstanding any other provision of law to the contrary, an individual  
6 under subsection (a) of this section may not be a member of the Employees' Pension  
7 System while in the position described in subsection (a) of this section.

8           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 July 1, 2013.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.