

SENATE BILL 102

K4

5r1370
CF HB 76

By: **Senator Peters (Chair, Joint Committee on Pensions)**

Introduced and read first time: January 26, 2015

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 24, 2015

CHAPTER _____

1 AN ACT concerning

2 **State Retirement and Pension System – Accumulated Contributions of**
3 **Nonvested Former Members**

4 FOR the purpose of requiring certain accumulated contributions of certain nonvested
5 former members to be transferred into a certain fund; providing that certain
6 accumulated contributions shall be paid to certain former members under certain
7 circumstances; requiring certain transferred accumulated contributions to be paid to
8 certain nonvested former members from a certain fund under certain circumstances;
9 making conforming changes; and generally relating to accumulated contributions of
10 nonvested former members of the State Retirement and Pension System.

11 BY repealing and reenacting, with amendments,
12 Article – State Personnel and Pensions
13 Section 21–303(a) and 21–311
14 Annotated Code of Maryland
15 (2009 Replacement Volume and 2014 Supplement)

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

18 **Article – State Personnel and Pensions**

19 21–303.

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.



1 (a) The Board of Trustees shall credit to the accumulation fund of each State
2 system:

3 (1) all employer contributions to the State system;

4 (2) all interest, dividends, and other income derived from the assets of the
5 State system; and

6 (3) amounts transferred under § 21–311(c) **OR (D)** of this subtitle.

7 21–311.

8 (a) The Board of Trustees shall credit to each member's individual account in the
9 annuity savings fund of the appropriate State system:

10 (1) the member contributions of the member as provided in this Division
11 II; and

12 (2) regular interest on the accumulated contributions of the member as
13 provided in this Division II.

14 (b) From the annuity savings fund of the appropriate system, the Board of
15 Trustees shall pay the accumulated contributions of a member **OR FORMER MEMBER** that,
16 as provided in this Division II:

17 (1) are withdrawn by the member **OR FORMER MEMBER**; or

18 (2) if a member **OR FORMER MEMBER** dies, are paid to the member's **OR**
19 **FORMER MEMBER'S** estate or designated beneficiary.

20 (c) When a member retires or a former member commences to receive a vested
21 allowance, the Board of Trustees shall transfer the member's or former member's
22 accumulated contributions from the annuity savings fund of the appropriate State system
23 to the accumulation fund of that system.

24 **(D) (1) IF A FORMER MEMBER IS NOT ELIGIBLE TO RECEIVE A VESTED**
25 **ALLOWANCE UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE, WHEN THE FORMER**
26 **MEMBER'S MEMBERSHIP ENDS, THE BOARD OF TRUSTEES SHALL TRANSFER THE**
27 **FORMER MEMBER'S ACCUMULATED CONTRIBUTIONS FROM THE ANNUITY SAVINGS**
28 **FUND OF THE APPROPRIATE STATE SYSTEM TO THE ACCUMULATION FUND OF THAT**
29 **SYSTEM.**

30 **(2) IF ACCUMULATED CONTRIBUTIONS OF A FORMER MEMBER ARE**
31 **TRANSFERRED TO THE ACCUMULATION FUND UNDER PARAGRAPH (1) OF THIS**
32 **SUBSECTION, AT THE REQUEST OF THE FORMER MEMBER, THE BOARD OF**

1 TRUSTEES SHALL RETURN THE ACCUMULATED CONTRIBUTIONS TO THE FORMER
2 MEMBER FROM THE ACCUMULATION FUND.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
4 1, 2015.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.