

Chapter 233

(Senate Bill 821)

AN ACT concerning

**Participating Governmental Units – Amortization Schedule**

FOR the purpose of altering the calculation of the accrued liability contributions required to be paid by a participating governmental unit on account of members of the Employees’ Retirement System and Employees’ Pension System who are employees of a participating governmental unit; clarifying the application of a certain amortization period to certain changes; and generally relating to the funding of the State Retirement and Pension System.

BY repealing and reenacting, with amendments,  
Article – State Personnel and Pensions  
Section 21–305.2  
Annotated Code of Maryland  
(2015 Replacement Volume)

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

**Article – State Personnel and Pensions**

21–305.2.

(a) In this section, “employees’ systems” means the Employees’ Pension System and the Employees’ Retirement System.

(b) As part of each actuarial valuation, the actuary shall determine the accrued liability contributions on account of members of the employees’ systems who are employees of participating governmental units.

(c) [Beginning July 1, 2001, each] **EACH** year the Board of Trustees shall set contribution rates for each State system that shall amortize:

(1) all unfunded liabilities or surpluses accrued as of June 30, [2000] **2016**, over [20] **100** years;

**(2) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF JUNE 30, 2017, OVER 40 YEARS;**

**(3) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF JUNE 30, 2018, OVER 35 YEARS;**

**(4) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF JUNE 30, 2019, OVER 30 YEARS;**

**(5) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF JUNE 30, 2020, OVER 25 YEARS;**

**(6) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF JUNE 30, 2021, OVER 22 YEARS;**

**(7) ALL UNFUNDED LIABILITIES OR SURPLUSES ACCRUED AS OF JUNE 30, 2022, OVER 20 YEARS; and**

**[(2)] (8) BEGINNING JULY 1, 2023, any new unfunded liabilities or surpluses that have accrued from July 1 of the preceding fiscal year over [25 years] THE TIME REMAINING UNTIL JUNE 30, 2041, to reflect:**

- (i) experience gains and losses;**
- (ii) the effect of changes in actuarial assumptions; and**
- (iii) the effect of legislation effective on or after July 1, [2001] 2023.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

**Approved by the Governor, April 26, 2016.**