

# HOUSE BILL 328

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CF SB 752

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By: **Delegate B. Barnes**

Introduced and read first time: January 25, 2017

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 10, 2017

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

1 AN ACT concerning

2 **Optional Retirement Program – Annuity Contract Providers**

3 FOR the purpose of repealing a default inclusion as an optional retirement program  
4 annuity contract provider of a company designated by a governing board of an  
5 employing institution on or before a certain date; ~~repealing a requirement that a~~  
6 ~~designated company provide certain information regarding compensation of certain~~  
7 ~~employees of the company;~~ altering a certain definition; and generally relating to  
8 companies designated to offer annuity contracts in the optional retirement program.

9 BY repealing and reenacting, with amendments,  
10 Article – State Personnel and Pensions  
11 Section 30–101(c), ~~30–202~~, and ~~30–211~~ and 30–202  
12 Annotated Code of Maryland  
13 (2015 Replacement Volume and 2016 Supplement)

14 BY repealing and reenacting, without amendments,  
15 Article – State Personnel and Pensions  
16 Section 30–211  
17 Annotated Code of Maryland  
18 (2015 Replacement Volume and 2016 Supplement)

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

21 **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.



1 30-101.

2 (c) "Designated company" means an entity that[:

3 (1) on or before March 1, 1993, was designated by the governing board of  
4 an employing institution to offer annuity contracts under the program; or

5 (2)] is designated by the Board of Trustees.

6 30-202.

7 (a) The Board of Trustees may designate not more than [four companies, in  
8 addition to the company that was designated by a governing board of an employing  
9 institution on or before March 1, 1993,] **FIVE COMPANIES** from which annuity contracts  
10 are to be purchased under the program.

11 (b) [(1)] The Board of Trustees shall approve the form and contents of annuity  
12 contracts to be offered by a company that is designated by the Board of Trustees under  
13 subsection (a) of this section.

14 [(2) The Board of Trustees may also approve the form and contents of  
15 additional types of annuity contracts to be offered for the first time after October 1, 1993,  
16 by the company designated by the governing board of an employing institution on or before  
17 March 1, 1993.]

18 (c) In making the designation and giving approval under this section, the Board  
19 of Trustees shall consider:

20 (1) the nature and extent of the rights and benefits to be provided by the  
21 annuity contracts for participating employees and their beneficiaries;

22 (2) the relation of those rights and benefits to the amount of contributions  
23 to be made;

24 (3) the suitability of the rights and benefits to the needs of the participating  
25 employees and the interests of the employing institutions in the recruitment and retention  
26 of participating employees;

27 (4) the ability of the company to provide for suitable rights and benefits  
28 under the annuity contracts;

29 (5) the selection of annuity contracts offered by the company;

1 (6) the financial stability of the company and whether the company meets  
2 minimum financial criteria, if any, including a minimum net worth requirement, if any,  
3 established by the Board of Trustees; and

4 (7) the effect of any fees, commissions, or other charges imposed or  
5 collected in connection with an annuity contract.

6 30-211.

7 (a) Before enrolling a participating employee, each designated company shall  
8 provide to eligible employees, the Board of Trustees, and the employing institutions any  
9 information requested, including ~~¶~~a full disclosure of the entire compensation provided to  
10 the senior executives of the designated company, and any~~¶~~ information ~~¶~~requested~~¶~~  
11 regarding the designated company or the annuity contracts offered by the designated  
12 company.

13 (b) Each designated company shall provide and pay for all administrative,  
14 informational, and counseling services with respect to the annuity contracts offered by the  
15 designated company.

16 (c) Each designated company shall cooperate with the employing institution in  
17 connection with any concerns that relate to enrollment, termination, or retirement of a  
18 participating employee.

19 (d) Each designated company shall disclose to the Board of Trustees all fees,  
20 commissions, or other charges the designated company imposes or collects with respect to  
21 an annuity contract.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
23 1, 2017.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.