

# SENATE BILL 401

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CF HB 815

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

Introduced and read first time: January 27, 2017

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 7, 2017

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

1 AN ACT concerning

2 **State Retirement and Pension System – Membership Elections**

3 FOR the purpose of limiting optional membership in the Employees' Pension System to  
4 certain individuals who have not previously been a member of a certain pension and  
5 retirement program or who have not had certain previous employment; requiring  
6 certain elections for membership in the Employees' Pension System to be made at  
7 the commencement of employment; requiring the Secretary of State Police to be a  
8 member of the State Police Retirement System as a condition of employment;  
9 requiring an individual who is employed by a participating governmental unit as a  
10 local detention center officer on or after a certain date to elect membership in the  
11 Correctional Officers' Retirement System before a certain event; requiring an  
12 election to join the Correctional Officers' Retirement System to be made in a certain  
13 manner; providing that an election to join the Correctional Officers' Retirement  
14 System is a one-time, irrevocable election; requiring certain individuals who are  
15 employed by a participating governmental unit on or after a certain date to elect  
16 membership in the Law Enforcement Officers' Pension System before a certain  
17 event; requiring a certain election to join the Law Enforcement Officers' Pension  
18 System to be made in a certain manner; providing that an election to join the Law  
19 Enforcement Officers' Pension System is a one-time, irrevocable election; altering  
20 the eligibility for participation in the Optional Retirement Program; requiring an  
21 election to participate in the Optional Retirement Program to be made at the  
22 commencement of employment; prohibiting certain individuals from participating in  
23 the Optional Retirement Program; providing that an election to join the Optional  
24 Retirement Program is a one-time, irrevocable election; requiring an employee who  
25 is participating in the Optional Retirement Program to participate in the State

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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 Retirement and Pension System under certain circumstances; establishing  
2 requirements for employees of an eligible governmental unit to participate in the  
3 Employees' Pension System; authorizing an eligible governmental unit to operate a  
4 certain local plan after the effective date of participation in the Employees' Pension  
5 System under certain circumstances; establishing requirements for employees of an  
6 eligible governmental unit to participate in the Law Enforcement Officers' Pension  
7 System; authorizing an eligible governmental unit to operate a certain local plan  
8 after the effective date of participation in the Law Enforcement Officers' Pension  
9 System under certain circumstances; establishing requirements for employees of an  
10 eligible governmental unit to participate in the Correctional Officers' Retirement  
11 System; authorizing an eligible governmental unit to operate a certain local plan  
12 after the effective date of participation in the Correctional Officers' Retirement  
13 System under certain circumstances; authorizing an eligible governmental unit that  
14 does not satisfy certain requirements to participate in certain State systems to  
15 submit a certain request to the Board of Trustees for the State Retirement and  
16 Pension System; requiring the Board of Trustees to consider certain requests and  
17 make certain recommendations to the Joint Committee on Pensions; establishing  
18 certain limitations on the withdrawal of a participating governmental unit from the  
19 State Retirement and Pension System; making technical changes; making  
20 conforming changes; altering certain definitions; and generally relating to the  
21 election of membership in the State Retirement and Pension System.

22 BY repealing and reenacting, without amendments,  
23 Article – State Personnel and Pensions  
24 Section 20–101(a) and (pp), 31–101(a), 31–2A–01(a), 31–2B–01(a), and 31–301(a)  
25 Annotated Code of Maryland  
26 (2015 Replacement Volume and 2016 Supplement)

27 BY repealing and reenacting, with amendments,  
28 Article – State Personnel and Pensions  
29 Section 23–204, 24–202, 24–203, 25–202, 26–202, 30–301, 30–302, 30–303, 30–305,  
30 30–307, 31–101(h), 31–102, 31–113, 31–2A–01(f), 31–2A–05, 31–2B–01(e),  
31 31–2B–05, 31–301(d), and 31–302  
32 Annotated Code of Maryland  
33 (2015 Replacement Volume and 2016 Supplement)

34 BY repealing  
35 Article – State Personnel and Pensions  
36 Section 31–109, 31–2A–03, and 31–2B–03  
37 Annotated Code of Maryland  
38 (2015 Replacement Volume and 2016 Supplement)

39 BY adding to  
40 Article – State Personnel and Pensions  
41 Section 31–109, 31–2A–03, and 31–2B–03  
42 Annotated Code of Maryland  
43 (2015 Replacement Volume and 2016 Supplement)

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

3 **Article – State Personnel and Pensions**

4 20–101.

5 (a) In this Division II the following words have the meanings indicated.

6 (pp) “State system” means a retirement or pension system that is included in the  
7 State Retirement and Pension System under § 21–102 of this article.

8 23–204.

9 (a) (1) Membership in the Employees’ Pension System is optional for an  
10 individual who is:

11 (i) an official, elected or appointed for a fixed term;

12 (ii) an employee of the Governor’s office;

13 (iii) an employee of the Senate or House of Delegates;

14 (iv) a member of the Prince George’s County Board of License  
15 Commissioners;

16 (v) an employee of Dorchester County who is not **AND HAS NOT**  
17 **PREVIOUSLY BEEN** a member of the county’s general pension and retirement program **OR**  
18 **ANY OTHER PLAN SPONSORED BY DORCHESTER COUNTY**; or

19 (vi) except as provided in subsection (g) of this section, an employee  
20 of a participating governmental unit who is employed by the participating governmental  
21 unit before the effective date of participation and who remains an employee of the  
22 participating governmental unit through the effective date of participation.

23 (2) An individual described under paragraph (1)(i) through (v) of this  
24 subsection who elects to join the Employees’ Pension System shall make the election at  
25 commencement of employment by filing a written application with the Board of Trustees  
26 on a form that the Board of Trustees provides.

27 (3) An individual described under paragraph (1)(vi) of this subsection who  
28 elects to join the Employees’ Pension System shall make the election prior to the effective  
29 date of participation by filing a written application with the Board of Trustees on a form  
30 that the Board of Trustees provides.

1 (4) An election to join the Employees' Pension System under this  
2 subsection is a one-time, irrevocable election.

3 (5) If an election to join the Employees' Pension System is not received by  
4 the Board of Trustees within the period of time described in paragraph (2) or (3) of this  
5 subsection, the individual may not elect to join the Employees' Pension System while  
6 employed in that position.

7 (6) The Board of Trustees shall adopt regulations to implement this  
8 subsection.

9 (b) (1) Membership in the Employees' Pension System is not optional for  
10 individuals who are:

11 (i) supportive service employees of the Board of Education of Kent  
12 County;

13 (ii) employees of the Town of Oakland;

14 (iii) employees of the City of Frostburg;

15 (iv) employees of the Town of Sykesville; or

16 (v) employees of the Town of University Park.

17 (2) Membership in the Employees' Pension System is not optional for an  
18 individual who was employed in a position on or before June 30, 2015, that required the  
19 individual to be a member of the Employees' Pension System, while the individual remains  
20 in that position.

21 (c) (1) Subject to paragraph (2) of this subsection, membership in the  
22 Employees' Pension System is optional for an individual described in § 23-201(a)(2)(iv) of  
23 this subtitle who is elected or appointed as the Baltimore City Sheriff.

24 (2) An individual who is elected or appointed as the Baltimore City Sheriff  
25 and who does not elect to join the Employees' Pension System is a member of the Law  
26 Enforcement Officers' Pension System under Title 26 of this article as a condition of  
27 employment.

28 (3) To elect to be a member of the Employees' Pension System under this  
29 subsection, an individual shall make the election at commencement of employment by filing  
30 a written application with the Board of Trustees on a form that the Board of Trustees  
31 provides.

32 (4) An individual who does not elect membership [within 6 months] AS of  
33 the date the individual begins serving as the Baltimore City Sheriff shall become a member  
34 of the Law Enforcement Officers' Pension System.

1 (d) (1) This subsection applies to an individual described in § 23–201(a)(2)(iv)  
2 of this subtitle who elects membership in the Employees’ Pension System under this  
3 section.

4 (2) An individual described in paragraph (1) of this subsection may elect  
5 membership in the Law Enforcement Officers’ Pension System if the county employing the  
6 individual elects to become an eligible governmental unit in the Law Enforcement Officers’  
7 Pension System in accordance with §§ 31–2A–02 through 31–2A–05 of this article.

8 (3) If an individual transfers to the Law Enforcement Officers’ Pension  
9 System under this subsection, the eligible governmental unit is responsible for all employer  
10 contributions required for the individual under § 21–306.1 of this article.

11 (e) (1) This subsection applies only to an individual who is an employee of the  
12 Town of Berwyn Heights on June 30, 2008.

13 (2) Subject to paragraph (3) of this subsection, membership in the  
14 Employees’ Pension System is optional for an individual described in paragraph (1) of this  
15 subsection who elects membership on July 1, 2008.

16 (3) To elect to be a member of the Employees’ Pension System, an  
17 individual shall file a written application with the Board of Trustees on a form that the  
18 Board of Trustees provides.

19 (f) (1) This subsection applies only to an individual who is an employee of the  
20 City of College Park on June 30, 2014.

21 (2) Subject to paragraph (3) of this subsection, membership in the  
22 Employees’ Pension System is optional for an individual described in paragraph (1) of this  
23 subsection who elects membership on July 1, 2014.

24 (3) To elect to be a member of the Employees’ Pension System, an  
25 individual shall file a written application with the Board of Trustees on a form that the  
26 Board of Trustees provides.

27 (g) (1) This subsection applies to an individual who is employed by Prince  
28 George’s County as:

- 29 (i) the Chief Administrative Officer;
- 30 (ii) a Deputy Chief Administrative Officer;
- 31 (iii) a director of a county office or department;
- 32 (iv) a County Council Administrator;

1 (v) a Deputy Director of a county office or department; or

2 (vi) an Executive Director.

3 (2) (i) Membership in the Employees' Pension System is optional for an  
4 individual who:

5 1. begins serving in a position listed in paragraph (1) of this  
6 subsection on or after July 1, 2014; AND

7 2. **HAS NOT PREVIOUSLY BEEN EMPLOYED BY PRINCE**  
8 **GEORGE'S COUNTY.**

9 (ii) An individual described under subparagraph (i) of this  
10 paragraph who elects to join the Employees' Pension System shall make the election at  
11 commencement of employment by filing a written application with the Board of Trustees  
12 on a form that the Board of Trustees provides.

13 (3) Membership in the Employees' Pension System is mandatory for:

14 (i) an individual who:

15 1. is employed in one of the positions listed under paragraph  
16 (1) of this subsection on or before June 30, 2014; and

17 2. is enrolled as a member of the Employees' Pension System;  
18 or

19 (ii) an individual described under paragraph (2)(i) of this subsection  
20 who elected to join the Employees' Pension System under paragraph (2)(ii) of this  
21 subsection.

22 (4) Membership in the Employees' Pension System is prohibited for an  
23 individual who:

24 (i) begins serving in a position listed in paragraph (1) of this  
25 subsection on or after July 1, 2004, but before July 1, 2014;

26 (ii) remains in a position listed in paragraph (1) of this subsection on  
27 or after July 1, 2014; and

28 (iii) is not enrolled in the Employees' Pension System.

29 (5) (i) An individual's election under paragraph (2)(ii) of this subsection  
30 to join the Employees' Pension System or an individual's failure to elect to join the  
31 Employees' Pension System within the required time period is a one-time, irrevocable  
32 decision.

1 (ii) An individual employed in one of the positions listed under  
2 paragraph (1) of this subsection who does not elect to join the Employees' Pension System  
3 under paragraph (2)(ii) of this subsection may not join the Employees' Pension System  
4 while employed in one of the positions listed under paragraph (1) of this subsection.

5 (iii) An individual described under paragraph (4) of this subsection  
6 or subparagraph (ii) of this paragraph who changes employment to a different position  
7 under paragraph (1) of this subsection, whether or not a break in employment occurs, may  
8 not elect to join the Employees' Pension System.

9 (6) The Board of Trustees shall adopt regulations to implement this  
10 section.

11 24-202.

12 [Except as provided in § 24-203 of this subtitle, an] **AN** individual described in §  
13 24-201 of this subtitle is a member of the State Police Retirement System as a condition of  
14 employment.

15 24-203.

16 The Secretary of State Police [may waive membership in] **IS A MEMBER OF** the State  
17 Police Retirement System [and elect to become a member of the Employees' Pension  
18 System] **AS A CONDITION OF EMPLOYMENT.**

19 25-202.

20 (a) Except as provided in subsection (b) of this section, an individual described in  
21 § 25-201(a) of this subtitle is a member of the Correctional Officers' Retirement System as  
22 a condition of employment.

23 (b) (1) Subject to paragraph [(2)] **(3)** of this subsection, membership in the  
24 Correctional Officers' Retirement System is optional for an individual described in §  
25 25-201 of this subtitle who was employed by a participating governmental unit as a local  
26 detention center officer on the effective date of participation on or after July 1, 2006, **BUT**  
27 **BEFORE JULY 1, 2017,** for that participating governmental unit and who elects  
28 membership within 6 months of the effective date of participation.

29 **(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, MEMBERSHIP**  
30 **IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM IS OPTIONAL FOR AN**  
31 **INDIVIDUAL:**

32 **(I) DESCRIBED IN § 25-201 OF THIS SUBTITLE WHO WAS**  
33 **EMPLOYED BY A PARTICIPATING GOVERNMENTAL UNIT AS A LOCAL DETENTION**

1 **CENTER OFFICER ON THE EFFECTIVE DATE OF PARTICIPATION ON OR AFTER JULY**  
2 **1, 2017, FOR THAT PARTICIPATING GOVERNMENTAL UNIT; AND**

3 **(II) WHO ELECTS MEMBERSHIP BEFORE THE EFFECTIVE DATE**  
4 **OF PARTICIPATION.**

5 **[(2)] (3)** To elect to be a member of the Correctional Officers' Retirement  
6 System, an individual shall file a written application with the State Retirement Agency **ON**  
7 **A FORM THAT THE STATE RETIREMENT AGENCY PROVIDES.**

8 **[(3)] (4) (I) AN ELECTION TO JOIN THE CORRECTIONAL**  
9 **OFFICERS' RETIREMENT SYSTEM UNDER THIS SUBSECTION IS A ONE-TIME,**  
10 **IRREVOCABLE ELECTION.**

11 **(II)** If an individual does not elect membership during the applicable  
12 period specified under paragraph (1) **OR (2)** of this subsection, the individual may not  
13 **SUBSEQUENTLY** become a member of the Correctional Officers' Retirement System.

14 26–202.

15 (a) Except as provided in subsection (b) of this section, an individual described in  
16 § 26–201 of this subtitle is a member of the Law Enforcement Officers' Pension System as  
17 a condition of employment.

18 (b) (1) Subject to paragraph (2) of this subsection, membership in the Law  
19 Enforcement Officers' Pension System is optional for an individual described in § 26–201  
20 of this subtitle:

21 (i) who was employed by the Department of Natural Resources on  
22 July 1, 1990 and who elects membership on or before December 31, 2002;

23 (ii) who was employed by the Field Enforcement Division on June  
24 30, 1995 and who elects membership on or before December 31, 2002;

25 (iii) who was employed by the Maryland Transportation Authority on  
26 June 30, 1997 and who elects membership on or before December 31, 2002;

27 (iv) who was employed by the Baltimore City Sheriff's Department  
28 on June 30, 1997 and who elects membership on or before December 31, 2002;

29 (v) who was employed by the University System of Maryland Police  
30 Force on June 30, 1999 and who elects membership on or before December 31, 2002;

31 (vi) who is employed by a participating governmental unit on the  
32 effective date of participation:



1                   **1.**     on or after July 1, 1999, **BUT BEFORE JULY 1, 2017**, for  
2 that participating governmental unit and who elects membership within 6 months of the  
3 effective date of participation; **OR**

4                   **2.    ON OR AFTER JULY 1, 2017, FOR THAT**  
5 **PARTICIPATING GOVERNMENTAL UNIT AND WHO ELECTS MEMBERSHIP BEFORE THE**  
6 **EFFECTIVE DATE OF PARTICIPATION;**

7                   (vii) who was employed by the Maryland Port Administration Police  
8 Force and was subsequently transferred to and employed by the Maryland Transportation  
9 Authority Police Force on July 1, 1998 and who elects membership on or before December  
10 31, 2002;

11                   (viii) who was employed by the office of the State Fire Marshal on June  
12 30, 1998 and who elects membership on or before December 31, 2002;

13                   (ix) who was employed by the Morgan State University Police Force  
14 on June 30, 1999 and who elects membership on or before December 31, 2002;

15                   (x) who was employed by the BWI Airport Fire & Rescue  
16 Department on June 30, 2000, and who elects membership on or before December 31, 2002;

17                   (xi) who was employed by the Department of General Services,  
18 Department of Health and Mental Hygiene, Motor Vehicle Administration, and  
19 Department of Labor, Licensing, and Regulation Police Force on June 30, 2000 and who  
20 elects membership on or before December 31, 2002;

21                   (xii) who was employed by the Military Department as a firefighter at  
22 Martin State Airport on June 30, 2001, and who elects membership on or before December  
23 31, 2002;

24                   (xiii) who was employed on June 30, 2002, by the Division of  
25 Rehabilitation Services in the Department of Education as a police officer certified in  
26 accordance with the Maryland Police and Correctional Training Commissions, and who  
27 elects membership on or before December 31, 2002;

28                   (xiv) who was employed on June 30, 2004, by the Salisbury Fire  
29 Department as a firefighter or paramedic and who elects membership on or before  
30 December 31, 2004, if eligible under Title 31, Subtitle 2A of this article;

31                   (xv) who was employed on June 30, 2005, by the Department of State  
32 Police as an aviator operating an aircraft for the State Emergency Medical System, and  
33 who elects membership on or before December 31, 2005;

34                   (xvi) who was employed by the Military Department as a law  
35 enforcement officer at Martin State Airport on June 30, 2007, and who elects membership  
36 on or before December 31, 2007;

1 (xvii) who was a member of the Department of Public Safety and  
2 Correctional Services Intelligence and Investigative Division who has powers granted to a  
3 police officer under § 10–701 of the Correctional Services Article on June 30, 2007, and who  
4 elects membership on or before December 31, 2007;

5 (xviii) who was employed on July 1, 2008, as a police officer by the  
6 Baltimore City Community College Police Force and who elects membership on or before  
7 December 31, 2008; or

8 (xix) who was an employee of the Warrant Apprehension Unit of the  
9 Division of Parole and Probation in the Department of Public Safety and Correctional  
10 Services who has powers granted to a peace officer or police officer under § 6–106 of the  
11 Correctional Services Article on June 30, 2015, and who elects membership on or before  
12 December 31, 2015.

13 (2) To elect to be a member of the Law Enforcement Officers' Pension  
14 System, an individual shall file a written application with the State Retirement Agency **ON**  
15 **A FORM THAT THE STATE RETIREMENT AGENCY PROVIDES.**

16 (3) **(I) AN ELECTION TO JOIN THE LAW ENFORCEMENT OFFICERS'**  
17 **PENSION SYSTEM UNDER THIS SUBSECTION IS A ONE–TIME, IRREVOCABLE**  
18 **ELECTION.**

19 **(II)** If an individual does not elect membership during the applicable  
20 period specified under paragraph (1) of this subsection, the individual may not  
21 **SUBSEQUENTLY** become a member of the Law Enforcement Officers' Pension System.

22 30–301.

23 (a) An individual is eligible to participate in the program **ONLY** if the individual:

24 **(1)** is eligible for membership in a retirement system or a pension system;

25 **(2) HAS NOT PREVIOUSLY PARTICIPATED IN A STATE SYSTEM AS AN**  
26 **EMPLOYEE OF AN EMPLOYING INSTITUTION OR ANY OTHER UNIT OF STATE**  
27 **GOVERNMENT; and**

28 **(3)** is:

29 **[(1)] (I)** a member of the faculty of an employing institution;

30 **[(2)] (II)** a professional employee at a community college or regional  
31 community college established under Title 16 of the Education Article;

1            [(3)] (III) an employee of the University System of Maryland who is in a  
2 position designated as exempt under a policy adopted by the University System of  
3 Maryland Board of Regents;

4            [(4)] (IV) an employee of Morgan State University who is in a position  
5 designated as executive or professional administrative by the Board of Regents of Morgan  
6 State University;

7            [(5)] (V) an employee of St. Mary's College of Maryland who is in a  
8 position determined by the Board of Trustees of the College to be an exempt position; or

9            [(6)] (VI) an employee of the Maryland Higher Education Commission who  
10 is in a position determined by the Secretary of Higher Education to be a professional  
11 position.

12            (b) (1) This subsection applies to an individual who:

13                    (i) on August 22, 2004, was eligible to participate in the program;  
14 and

15                    (ii) is in a position that, as of August 23, 2004, was reclassified by  
16 the University System of Maryland Board of Regents or the Board of Regents of Morgan  
17 State University and would no longer be eligible for participation in the program under  
18 subsection (a) of this section.

19            (2) An individual described under paragraph (1) of this subsection shall  
20 continue to participate in the program if the individual:

21                    (i) would otherwise be eligible for membership in a system under  
22 the State Retirement and Pension System; and

23                    (ii) is employed by an employing institution.

24            (c) (1) This subsection applies to an individual who:

25                    (i) is in a position that was eligible to participate in the program but  
26 was reclassified by the governing board of the individual's employing institution or the  
27 Secretary of Higher Education to a position that would no longer be eligible for participation  
28 in the program under subsection (a) of this section; and

29                    (ii) was a participant in the program on the date immediately  
30 preceding the reclassification.

31            (2) An individual described under paragraph (1) of this subsection shall  
32 continue to participate in the program if the individual:

1 (i) would otherwise be eligible for membership in a system under  
2 the State Retirement and Pension System; and

3 (ii) is employed by an employing institution.

4 30–302.

5 (a) An election to participate in the program shall be made by an eligible employee  
6 [within 1 year of first becoming an eligible employee of an employing institution] **AT**  
7 **COMMENCEMENT OF EMPLOYMENT.**

8 (b) An eligible employee's election to participate in the program is a one-time  
9 irrevocable election.

10 **(C) AN INDIVIDUAL WHO PREVIOUSLY PARTICIPATED IN A STATE SYSTEM**  
11 **AS AN EMPLOYEE OF AN EMPLOYING INSTITUTION OR ANY OTHER UNIT OF STATE**  
12 **GOVERNMENT MAY NOT ELECT TO PARTICIPATE IN THE PROGRAM.**

13 30–303.

14 (a) An eligible employee shall elect to:

15 (1) join a pension or retirement system in accordance with the provisions  
16 of this Division II applicable to that system; or

17 (2) participate in the program.

18 (b) An eligible employee shall:

19 (1) make an election under this section in writing; and

20 (2) file the election with the Board of Trustees and the employing  
21 institution [within 1 year of first becoming an eligible employee of an employing  
22 institution] **AT COMMENCEMENT OF EMPLOYMENT.**

23 (c) [An eligible employee may not participate in the program if both the Board of  
24 Trustees and the employing institution have not received the eligible employee's written  
25 election required under subsection (b) of this section, within 1 year of first becoming an  
26 eligible employee with an employing institution.] **AN ELIGIBLE EMPLOYEE'S ELECTION**  
27 **UNDER THIS SECTION IS A ONE-TIME, IRREVOCABLE ELECTION.**

28 (d) The effective date of the election shall be the [first day of the month after the  
29 election] **DAY OF COMMENCEMENT OF EMPLOYMENT.**

30 30–305.

1 (a) This section applies only to a State employee who [becomes eligible to elect  
2 participation in the program if the employee] is appointed, promoted, transferred, or  
3 reclassified to a position [as an eligible employee] **IN WHICH AN EMPLOYEE WOULD BE**  
4 **ELIGIBLE TO PARTICIPATE IN THE PROGRAM.**

5 (b) A State employee described in subsection (a) of this section may **NOT** elect to  
6 participate in the program.

7 [(c) An eligible employee shall:

8 (1) make an election under this section in writing; and

9 (2) file the election with the Board of Trustees and the employing  
10 institution within 1 year of first becoming an eligible employee of an employing institution.

11 (d) An eligible employee may not participate in the program if both the Board of  
12 Trustees and the employing institution have not received the eligible employee's written  
13 election required under subsection (c) of this section, within 1 year of first becoming an  
14 eligible employee with an employing institution.]

15 30–307.

16 (a) **(1) THIS SUBSECTION APPLIES TO AN ELECTION TO PARTICIPATE IN**  
17 **THE PROGRAM MADE ON OR BEFORE JUNE 30, 2017.**

18 **(2)** Except as otherwise provided in this section, an election to participate  
19 in the program is a waiver of all rights and benefits provided by the retirement or pension  
20 system in which the participating employee was a member on the effective date of the  
21 election.

22 [(b)] **(3)** For the purpose of determining eligibility for immediate vested rights  
23 or benefits in a retirement system or pension system, an eligible employee who is a member  
24 of that State system when the employee elects to participate in the program is deemed to  
25 have separated from employment on the effective date of the election.

26 [(c)] **(4)** The Board of Trustees may only compute retirement system or pension  
27 system benefits on the basis of years of creditable service as a member of that State system.

28 [(d) (1)] **(5) (I)** This [section] **PARAGRAPH** applies only to a participating  
29 employee whose last employer prior to joining the program was a participating employer  
30 that does not participate in the employer pick-up program as defined in § 414(h)(2) of the  
31 Internal Revenue Code.

32 [(2)] **(II)** A participating employee may withdraw any accumulated  
33 contributions in the annuity savings fund on or after the effective date of the participating  
34 employee's election to join the program.

1            **[(3)] (III)** If a participating employee withdraws the accumulated  
 2 contributions, the participating employee forfeits any right to a benefit in the State system  
 3 from which the accumulated contributions were withdrawn.

4            **[(e)] (B) (1)** A participating employee is ineligible for membership in a  
 5 retirement system or pension system while the participating employee is employed in any  
 6 eligible position by any employing institution.

7            **(2) A PARTICIPATING EMPLOYEE WHO IS SUBSEQUENTLY**  
 8 **APPOINTED, PROMOTED, OR TRANSFERRED TO ANOTHER POSITION THAT IS**  
 9 **ELIGIBLE FOR MEMBERSHIP IN A STATE SYSTEM BUT IS NOT ELIGIBLE FOR**  
 10 **PARTICIPATION IN THE PROGRAM SHALL PARTICIPATE IN A STATE SYSTEM WITH**  
 11 **RESPECT TO THAT POSITION AS A CONDITION OF EMPLOYMENT.**

12 31-101.

13            (a) In this subtitle the following words have the meanings indicated.

14            (h) **(1)** “Local [pension system] **PLAN**” means a [retirement or pension system  
 15 established by the legislative body] **PLAN OR ANY OTHER ARRANGEMENT** of an eligible  
 16 governmental unit **THAT IS DESCRIBED IN § 219(G)(5) OF THE INTERNAL REVENUE**  
 17 **CODE.**

18            **(2) “LOCAL PLAN” DOES NOT INCLUDE A PLAN ESTABLISHED UNDER**  
 19 **§ 457 OF THE INTERNAL REVENUE CODE.**

20 31-102.

21            Subject to **[§] §§ 22-202(b) AND 31-109** of this article, the governmental units that  
 22 are eligible to participate in the employees’ systems are:

23            (1) a political subdivision of the State, including:

24                    (i) a county;

25                    (ii) a municipal corporation; and

26                    (iii) a special taxing area; and

27            (2) the following governmental units:

28                    (i) an agency on aging, as designated by the legislative body of the  
 29 agency on aging;

30                    (ii) the Allegany County Transit Authority;

- 1 (iii) subject to § 31–104 of this subtitle, the Baltimore Metropolitan  
2 Council;
- 3 (iv) a board or commission created by an Act of the General Assembly  
4 for public purpose and not for the profit of a private person;
- 5 (v) subject to § 31–105 of this subtitle, the Canal Place Preservation  
6 and Development Authority;
- 7 (vi) the Chesapeake Bay Commission;
- 8 (vii) a cooperative library commission;
- 9 (viii) subject to § 31–103 of this subtitle, a community action agency,  
10 as designated by the legislative body of the community action agency;
- 11 (ix) a fire department that receives any of its funds from or through  
12 a county, municipal corporation, special taxing area, or other political subdivision of the  
13 State;
- 14 (x) the Health Planning Council of Appalachia;
- 15 (xi) the Howard County Economic Development Authority;
- 16 (xii) the Interstate Commission on the Potomac River Basin;
- 17 (xiii) the Lower Shore Private Industry Council, Inc.;
- 18 (xiv) the Maryland Environmental Service;
- 19 (xv) subject to § 31–106 of this subtitle, the Maryland Stadium  
20 Authority;
- 21 (xvi) a public library association or organization;
- 22 (xvii) subject to § 31–106.2 of this subtitle, the St. Mary’s Nursing  
23 Center, Inc.;
- 24 (xviii) the Tri–County Council for Western Maryland, Inc.;
- 25 (xix) the Tri–County Council for Southern Maryland;
- 26 (xx) subject to § 31–107 of this subtitle, the University of Maryland  
27 Medical System Corporation;
- 28 (xxi) the Upper Potomac River Commission;

1 (xxii) subject to § 31–106.1 of this subtitle, the Maryland African  
2 American Museum Corporation;

3 (xxiii) the Garrett County Office for Children, Youth and Families;

4 (xxiv) the Somerset County Economic Development Commission; and

5 (xxv) the Dorchester County Sanitary Commission.

6 [31–109.

7 Except as provided in § 31–110 of this subtitle, an employee of an eligible  
8 governmental unit is entitled to be a member of the Employees' Pension System if:

9 (1) (i) the employee is not a member of a local pension system; and

10 (ii) the legislative body of the eligible governmental unit approves  
11 participation of the eligible governmental unit in the Employees' Pension System; or

12 (2) (i) the employee is a member of a local pension system;

13 (ii) at least 60% of the members of the local pension system petition  
14 to become members of the Employees' Pension System; and

15 (iii) the legislative body of the eligible governmental unit approves  
16 participation of the eligible governmental unit in the Employees' Pension System as though  
17 the local pension system were not in operation.]

18 **31–109.**

19 **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE LEGISLATIVE BODY**  
20 **OF AN ELIGIBLE GOVERNMENTAL UNIT MAY APPROVE PARTICIPATION BY ITS**  
21 **EMPLOYEES IN THE EMPLOYEES' PENSION SYSTEM IF:**

22 **(1) THE LEGISLATIVE BODY ADOPTS A RESOLUTION IN THE FORM**  
23 **PRESCRIBED BY THE BOARD OF TRUSTEES; AND**

24 **(2) THE ELIGIBLE GOVERNMENTAL UNIT OPERATES A LOCAL PLAN,**  
25 **ONLY IF:**

26 **(I) AT LEAST 60% OF THE MEMBERS OF THE LOCAL PLAN**  
27 **PETITION TO BECOME MEMBERS OF THE EMPLOYEES' PENSION SYSTEM;**

28 **(II) THE ELIGIBLE GOVERNMENTAL UNIT SATISFIES THE**  
29 **REQUIREMENTS IN SUBSECTION (B) OF THIS SECTION; AND**



1 (III) THE LEGISLATIVE BODY APPROVES PARTICIPATION OF THE  
2 ELIGIBLE GOVERNMENTAL UNIT IN THE EMPLOYEES' PENSION SYSTEM AS THOUGH  
3 THE LOCAL PLAN WERE NOT IN OPERATION.

4 (B) AN ELIGIBLE GOVERNMENTAL UNIT THAT OPERATES A LOCAL PLAN  
5 MAY APPROVE PARTICIPATION BY ITS EMPLOYEES IN THE EMPLOYEES' PENSION  
6 SYSTEM ONLY IF:

7 (1) THE LOCAL PLAN OF THE ELIGIBLE GOVERNMENTAL UNIT  
8 REQUIRES MEMBER CONTRIBUTIONS AT THE SAME RATE AS THE MEMBER  
9 CONTRIBUTION RATE THAT WOULD BE APPLICABLE TO EMPLOYEES OF THE  
10 ELIGIBLE GOVERNMENTAL UNIT IN THE EMPLOYEES' PENSION SYSTEM; OR

11 (2) THE ELIGIBLE GOVERNMENTAL UNIT:

12 (I) DOES NOT PROVIDE FOR THE EMPLOYER PICKUP OF  
13 MEMBER CONTRIBUTIONS TO THE LOCAL PLAN WITHIN THE MEANING OF §  
14 414(H)(2) OF THE INTERNAL REVENUE CODE; AND

15 (II) CERTIFIES THAT IT WILL NOT BECOME AN APPROVED  
16 EMPLOYER UNDER § 21-313 OF THIS ARTICLE ON OR AFTER THE EFFECTIVE DATE  
17 OF PARTICIPATION.

18 (C) (1) IF AN ELIGIBLE GOVERNMENTAL UNIT DOES NOT SATISFY THE  
19 REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION, THE ELIGIBLE  
20 GOVERNMENTAL UNIT MAY SUBMIT A REQUEST TO THE BOARD OF TRUSTEES TO  
21 PARTICIPATE IN THE EMPLOYEES' PENSION SYSTEM.

22 (2) THE BOARD OF TRUSTEES SHALL CONSIDER A REQUEST MADE  
23 UNDER PARAGRAPH (1) OF THIS SUBSECTION AND DETERMINE WHETHER ANY  
24 LEGISLATION IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO  
25 PARTICIPATE IN THE EMPLOYEES' PENSION SYSTEM.

26 (3) THE BOARD OF TRUSTEES SHALL MAKE RECOMMENDATIONS TO  
27 THE JOINT COMMITTEE ON PENSIONS REGARDING ANY LEGISLATION THAT IT  
28 DETERMINES IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO  
29 PARTICIPATE IN THE EMPLOYEES' PENSION SYSTEM.

30 31-113.

31 (A) THIS SECTION APPLIES ONLY TO A LOCAL PLAN THAT IS A QUALIFIED  
32 PLAN UNDER § 401(A) OF THE INTERNAL REVENUE CODE AND PROVIDES A DEFINED  
33 BENEFIT TO ITS PARTICIPANTS.

1           **[(a)] (B)**       Except as provided in subsection **[(b)] (C)** of this section, the operation  
2 of the local **[pension system] PLAN** of an eligible governmental unit terminates on the  
3 effective date.

4           **[(b)] (C)**       (1)     An eligible governmental unit may elect to continue to operate a  
5 local **[pension system] PLAN** after the effective date of participation in the Employees'  
6 Pension System to provide benefits to **[a person] AN INDIVIDUAL** who:

7                           (i)     is receiving benefits from the local **[pension system] PLAN**;

8                           (ii)    is eligible to receive benefits from the local **[pension system]**  
9 **PLAN** on account of the **[person's] INDIVIDUAL'S** previous employment by the eligible  
10 governmental unit; or

11                          (iii)   did not elect to join the Employees' Pension System under §  
12 23–204(a) of this article.

13                          (2)     **[A person] AN INDIVIDUAL** may not be enrolled in the local **[pension]**  
14 **system] PLAN** of a participating governmental unit electing to continue to operate its  
15 **[system] LOCAL PLAN** under paragraph (1) of this subsection if the **[person] INDIVIDUAL**  
16 becomes employed or is rehired by the participating governmental unit on or after the  
17 effective date of participation of the participating governmental unit in the Employees'  
18 Pension System.

19           **[(c)] (D)**       The liability for the continuation of benefits under subsection **[(b)] (C)**  
20 of this section shall be included in the computation of the special accrued liability as  
21 provided by § 21–305.3 of this article.

22           **[(d)] (E)**       (1)     On the effective date:

23                           (i)     the assets to the credit of the local **[pension system] PLAN** of the  
24 participating governmental unit that are attributable to the employees of the participating  
25 governmental unit who elect to become members of the Employees' Pension System under  
26 § 23–204(a) of this article shall be transferred to the Employees' Pension System; and

27                           (ii)    the trustee or other administrative head of the local **[pension]**  
28 **system] PLAN** shall certify the proportion of the funds of the local **[pension system] PLAN**  
29 that represents the accumulated contributions of the members as of that date.

30                          (2)     The accumulated contributions shall be credited to the respective  
31 annuity savings accounts of the members in the Employees' Pension System.

32                          (3)     Any balance of the funds transferred to the Employees' Pension System  
33 shall be offset against the special accrued liability to be funded by the participating  
34 governmental unit as provided by § 21–305.3 of this article.

1 31-2A-01.

2 (a) In this subtitle the following words have the meanings indicated.

3 (f) **(1)** “Local [pension system] PLAN” means a [retirement or pension system  
4 established by the legislative body] **PLAN OR ANY OTHER ARRANGEMENT** of an eligible  
5 governmental unit **THAT IS DESCRIBED IN § 219(G)(5) OF THE INTERNAL REVENUE**  
6 **CODE.**

7 **(2)** “LOCAL PLAN” DOES NOT INCLUDE A PLAN ESTABLISHED UNDER  
8 **§ 457 OF THE INTERNAL REVENUE CODE.**

9 [31-2A-03.

10 (a) If at least 60% of the law enforcement officers of an eligible governmental unit  
11 who are members of a local pension system or State system petition to become members of  
12 the Law Enforcement Officers’ Pension System, the legislative body of the eligible  
13 governmental unit may approve the participation of these law enforcement officers in the  
14 Law Enforcement Officers’ Pension System as though the local pension system were not in  
15 operation.

16 (b) If at least 60% of the firefighters and paramedics employed by the Salisbury  
17 Fire Department petition to become members of the Law Enforcement Officers’ Pension  
18 System, the legislative body of the City of Salisbury, as an eligible governmental unit, may  
19 approve the participation of these firefighters and paramedics in the Law Enforcement  
20 Officers’ Pension System.

21 (c) If at least 60% of the firefighters of an eligible governmental unit who are  
22 members of a local pension system or State system petition to become members of the Law  
23 Enforcement Officers’ Pension System, the legislative body of the eligible governmental  
24 unit may approve the participation of these firefighters in the Law Enforcement Officers’  
25 Pension System as though the local pension system were not in operation.]

26 **31-2A-03.**

27 **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE LEGISLATIVE BODY**  
28 **OF AN ELIGIBLE GOVERNMENTAL UNIT MAY APPROVE PARTICIPATION BY ITS LAW**  
29 **ENFORCEMENT OFFICERS OR FIREFIGHTERS IN THE LAW ENFORCEMENT**  
30 **OFFICERS’ PENSION SYSTEM IF:**

31 **(1) THE LEGISLATIVE BODY ADOPTS A RESOLUTION IN THE FORM**  
32 **PRESCRIBED BY THE BOARD OF TRUSTEES; AND**

33 **(2) THE ELIGIBLE GOVERNMENTAL UNIT PARTICIPATES IN A STATE**  
34 **SYSTEM OR OPERATES A LOCAL PLAN, ONLY IF:**

1           **(I) AT LEAST 60% OF THE LAW ENFORCEMENT OFFICERS OR**  
2 **FIREFIGHTERS OF THE ELIGIBLE GOVERNMENTAL UNIT PETITION TO BECOME**  
3 **MEMBERS OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM;**

4           **(II) THE ELIGIBLE GOVERNMENTAL UNIT SATISFIES THE**  
5 **REQUIREMENTS IN SUBSECTION (B) OF THIS SECTION; AND**

6           **(III) THE LEGISLATIVE BODY APPROVES PARTICIPATION OF ITS**  
7 **LAW ENFORCEMENT OFFICERS OR FIREFIGHTERS IN LIEU OF PARTICIPATION IN THE**  
8 **STATE SYSTEM OR LOCAL PLAN.**

9           **(B) AN ELIGIBLE GOVERNMENTAL UNIT THAT OPERATES A LOCAL PLAN OR**  
10 **PARTICIPATES IN A STATE SYSTEM MAY APPROVE PARTICIPATION OF ITS LAW**  
11 **ENFORCEMENT OFFICERS OR FIREFIGHTERS IN THE LAW ENFORCEMENT**  
12 **OFFICERS' PENSION SYSTEM ONLY IF:**

13           **(1) THE STATE SYSTEM OR LOCAL PLAN OF THE ELIGIBLE**  
14 **GOVERNMENTAL UNIT REQUIRES MEMBER CONTRIBUTIONS AT THE SAME RATE AS**  
15 **THE MEMBER CONTRIBUTION RATE THAT WOULD BE APPLICABLE TO THE LAW**  
16 **ENFORCEMENT OFFICERS OR FIREFIGHTERS OF THE ELIGIBLE GOVERNMENTAL**  
17 **UNIT IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM; OR**

18           **(2) THE ELIGIBLE GOVERNMENTAL UNIT:**

19           **(I) DOES NOT PROVIDE FOR THE EMPLOYER PICKUP OF**  
20 **MEMBER CONTRIBUTIONS TO THE STATE SYSTEM OR LOCAL PLAN WITHIN THE**  
21 **MEANING OF § 414(H)(2) OF THE INTERNAL REVENUE CODE; AND**

22           **(II) CERTIFIES THAT IT WILL NOT BECOME AN APPROVED**  
23 **EMPLOYER UNDER § 21-313 OF THIS ARTICLE ON OR AFTER THE EFFECTIVE DATE**  
24 **OF PARTICIPATION.**

25           **(C) (1) IF AN ELIGIBLE GOVERNMENTAL UNIT DOES NOT SATISFY THE**  
26 **REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION, THE ELIGIBLE**  
27 **GOVERNMENTAL UNIT MAY SUBMIT A REQUEST TO THE BOARD OF TRUSTEES TO**  
28 **PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.**

29           **(2) THE BOARD OF TRUSTEES SHALL CONSIDER A REQUEST MADE**  
30 **UNDER PARAGRAPH (1) OF THIS SUBSECTION AND DETERMINE WHETHER ANY**  
31 **LEGISLATION IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO**  
32 **PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.**

1           **(3) THE BOARD OF TRUSTEES SHALL MAKE RECOMMENDATIONS TO**  
2 **THE JOINT COMMITTEE ON PENSIONS REGARDING ANY LEGISLATION THAT IT**  
3 **DETERMINES IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO**  
4 **PARTICIPATE IN THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM.**

5 31-2A-05.

6           **(A) THIS SECTION APPLIES ONLY TO A LOCAL PLAN THAT IS A QUALIFIED**  
7 **PLAN UNDER § 401(A) OF THE INTERNAL REVENUE CODE AND PROVIDES A DEFINED**  
8 **BENEFIT TO ITS PARTICIPANTS.**

9           **[(a)] (B)** If an eligible governmental unit approves participation in the Law  
10 Enforcement Officers' Pension System, the operation of the local **[pension system] PLAN** or  
11 State system with respect to the law enforcement officers, firefighters, or paramedics  
12 terminates on the effective date.

13           **[(b)] (C)** (1) On the effective date:

14                   (i) the assets to the credit of the local **[pension system] PLAN** or  
15 State system that relate to the law enforcement officers, firefighters, or paramedics who  
16 elect to become members shall be transferred to the Law Enforcement Officers' Pension  
17 System; and

18                   (ii) the trustee or other administrative head of the local **[pension**  
19 **system] PLAN** or State system shall certify the proportion of the funds of the local **[pension**  
20 **system] PLAN** or State system that represents the accumulated contributions of the  
21 members as of that date.

22           (2) The accumulated contributions shall be credited to the respective  
23 annuity savings accounts of the members in the Law Enforcement Officers' Pension  
24 System.

25           (3) The balance of the funds transferred to the Law Enforcement Officers'  
26 Pension System shall be offset against the special accrued liability to be funded by the  
27 participating governmental unit as provided by § 21-306.1(d) of this article.

28 31-2B-01.

29           (a) In this subtitle the following words have the meanings indicated.

30           (e) **(1)** "Local **[pension system] PLAN**" means a **[retirement or pension system**  
31 **established by the legislative body] PLAN OR ANY OTHER ARRANGEMENT** of an eligible  
32 governmental unit **THAT IS DESCRIBED IN § 219(G)(5) OF THE INTERNAL REVENUE**  
33 **CODE.**

1           **(2) "LOCAL PLAN" DOES NOT INCLUDE A PLAN ESTABLISHED UNDER**  
2 **§ 457 OF THE INTERNAL REVENUE CODE.**

3 [31-2B-03.

4           If at least 60% of the local detention center officers of an eligible governmental unit  
5 who are members of a local pension system or State system petition to become members of  
6 the Correctional Officers' Retirement System, the legislative body of the eligible  
7 governmental unit may approve the participation of these local detention center officers in  
8 the Correctional Officers' Retirement System as though the local pension system were not  
9 in operation.]

10 **31-2B-03.**

11           **(A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE LEGISLATIVE BODY**  
12 **OF AN ELIGIBLE GOVERNMENTAL UNIT MAY APPROVE PARTICIPATION BY ITS LOCAL**  
13 **DETENTION CENTER OFFICERS IN THE CORRECTIONAL OFFICERS' RETIREMENT**  
14 **SYSTEM IF:**

15           **(1) THE LEGISLATIVE BODY ADOPTS A RESOLUTION IN THE FORM**  
16 **PRESCRIBED BY THE BOARD OF TRUSTEES; AND**

17           **(2) THE ELIGIBLE GOVERNMENTAL UNIT PARTICIPATES IN A STATE**  
18 **SYSTEM OR OPERATES A LOCAL PLAN FOR ITS LOCAL DETENTION CENTER**  
19 **OFFICERS, ONLY IF:**

20           **(I) AT LEAST 60% OF THE LOCAL DETENTION CENTER**  
21 **OFFICERS OF THE ELIGIBLE GOVERNMENTAL UNIT PETITION TO BECOME MEMBERS**  
22 **OF THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM;**

23           **(II) THE ELIGIBLE GOVERNMENTAL UNIT SATISFIES THE**  
24 **REQUIREMENTS IN SUBSECTION (B) OF THIS SECTION; AND**

25           **(III) THE LEGISLATIVE BODY APPROVES PARTICIPATION OF ITS**  
26 **LOCAL DETENTION CENTER OFFICERS IN LIEU OF PARTICIPATION IN THE STATE**  
27 **SYSTEM OR LOCAL PLAN.**

28           **(B) AN ELIGIBLE GOVERNMENTAL UNIT THAT OPERATES A LOCAL PLAN OR**  
29 **PARTICIPATES IN A STATE SYSTEM MAY APPROVE PARTICIPATION OF ITS LOCAL**  
30 **DETENTION CENTER OFFICERS IN THE CORRECTIONAL OFFICERS' RETIREMENT**  
31 **SYSTEM ONLY IF:**

32           **(1) THE STATE SYSTEM OR LOCAL PLAN OF THE ELIGIBLE**  
33 **GOVERNMENTAL UNIT REQUIRES MEMBER CONTRIBUTIONS AT THE SAME RATE AS**  
34 **THE MEMBER CONTRIBUTION RATE THAT WOULD BE APPLICABLE TO THE LOCAL**

1 DETENTION CENTER OFFICERS OF THE ELIGIBLE GOVERNMENTAL UNIT IN THE  
2 CORRECTIONAL OFFICERS' RETIREMENT SYSTEM; OR

3 (2) THE ELIGIBLE GOVERNMENTAL UNIT:

4 (I) DOES NOT PROVIDE FOR THE EMPLOYER PICKUP OF  
5 MEMBER CONTRIBUTIONS TO THE STATE SYSTEM OR LOCAL PLAN WITHIN THE  
6 MEANING OF § 414(H)(2) OF THE INTERNAL REVENUE CODE; AND

7 (II) CERTIFIES THAT IT WILL NOT BECOME AN APPROVED  
8 EMPLOYER UNDER § 21-313 OF THIS ARTICLE ON OR AFTER THE EFFECTIVE DATE  
9 OF PARTICIPATION.

10 (C) (1) IF AN ELIGIBLE GOVERNMENTAL UNIT DOES NOT SATISFY THE  
11 REQUIREMENTS UNDER SUBSECTION (B) OF THIS SECTION, THE ELIGIBLE  
12 GOVERNMENTAL UNIT MAY SUBMIT A REQUEST TO THE BOARD OF TRUSTEES TO  
13 PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

14 (2) THE BOARD OF TRUSTEES SHALL CONSIDER A REQUEST MADE  
15 UNDER PARAGRAPH (1) OF THIS SUBSECTION AND DETERMINE WHETHER ANY  
16 LEGISLATION IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO  
17 PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

18 (3) THE BOARD OF TRUSTEES SHALL MAKE RECOMMENDATIONS TO  
19 THE JOINT COMMITTEE ON PENSIONS REGARDING ANY LEGISLATION THAT IT  
20 DETERMINES IS NECESSARY TO ALLOW THE ELIGIBLE GOVERNMENTAL UNIT TO  
21 PARTICIPATE IN THE CORRECTIONAL OFFICERS' RETIREMENT SYSTEM.

22 31-2B-05.

23 (A) THIS SECTION APPLIES ONLY TO A LOCAL PLAN THAT IS A QUALIFIED  
24 PLAN UNDER § 401(A) OF THE INTERNAL REVENUE CODE AND PROVIDES A DEFINED  
25 BENEFIT TO ITS PARTICIPANTS.

26 [(a)] (B) If an eligible governmental unit approves participation in the  
27 Correctional Officers' Retirement System, the operation of the local [pension system] PLAN  
28 or State system with respect to the local detention center officers terminates on the effective  
29 date.

30 [(b)] (C) (1) On the effective date:

31 (i) the assets to the credit of the local [pension system] PLAN or  
32 State system that relate to the local detention center officers who elect to become members  
33 shall be transferred to the Correctional Officers' Retirement System; and

1 (ii) the trustee or other administrative head of the local [pension  
2 system] PLAN or State system shall certify the proportion of the funds of the local pension  
3 system that represents the accumulated contributions of the members as of that date.

4 (2) The accumulated contributions shall be credited to the respective  
5 annuity savings accounts of the members in the Correctional Officers' Retirement System.

6 (3) The balance of the funds transferred to the Correctional Officers'  
7 Retirement System shall be offset against the special accrued liability to be funded by the  
8 participating governmental unit as provided by § 21-306.1(d) of this article.

9 31-301.

10 (a) In this subtitle the following words have the meanings indicated.

11 (d) "Local pension system" means a retirement or pension system established by  
12 the legislative body of an eligible governmental unit **THAT IS A QUALIFIED PLAN UNDER**  
13 **§ 401(A) OF THE INTERNAL REVENUE CODE AND PROVIDES A DEFINED BENEFIT TO**  
14 **ITS PARTICIPANTS.**

15 31-302.

16 (A) [The] **SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE** legislative  
17 body of a participating governmental unit may withdraw from participation in a State  
18 system and transfer to a local pension system or another State system any of the following  
19 groups of employees of the governmental unit who consent to the withdrawal, and who  
20 qualify for membership in the State system or local pension system:

21 (1) all employees of the participating governmental unit;

22 (2) fire fighters;

23 (3) law enforcement personnel;

24 (4) detention center officers; or

25 (5) subject to the approval of the Board of Trustees, a homogeneous unit of  
26 at least 10 employees.

27 (B) **A PARTICIPATING GOVERNMENTAL UNIT MAY WITHDRAW FROM**  
28 **PARTICIPATION IN A STATE SYSTEM ONLY IF:**

29 (1) **THE NEW STATE SYSTEM OR LOCAL PENSION SYSTEM OF THE**  
30 **PARTICIPATING GOVERNMENTAL UNIT REQUIRES MEMBER CONTRIBUTIONS AT THE**  
31 **SAME RATE AS THE MEMBER CONTRIBUTION RATE APPLICABLE TO EMPLOYEES OF**



1 THE PARTICIPATING GOVERNMENTAL UNIT IN THE STATE SYSTEM FROM WHICH THE  
2 PARTICIPATING GOVERNMENTAL UNIT IS WITHDRAWING; OR

3 (2) THE PARTICIPATING GOVERNMENTAL UNIT:

4 (I) DOES NOT PROVIDE FOR THE EMPLOYER PICKUP OF  
5 MEMBER CONTRIBUTIONS TO THE CURRENT STATE SYSTEM OF THE PARTICIPATING  
6 GOVERNMENTAL UNIT WITHIN THE MEANING OF § 414(H)(2) OF THE INTERNAL  
7 REVENUE CODE; AND

8 (II) CERTIFIES THAT IT WILL NOT BECOME AN APPROVED  
9 EMPLOYER UNDER § 21-313 OF THIS ARTICLE ON OR AFTER THE EFFECTIVE DATE  
10 OF PARTICIPATION IN THE NEW STATE SYSTEM OR LOCAL PENSION SYSTEM.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
12 1, 2017.

Approved:

\_\_\_\_\_  
Governor.

\_\_\_\_\_  
President of the Senate.

\_\_\_\_\_  
Speaker of the House of Delegates.