

SENATE BILL 699

K4

8lr1659
CF 8lr1658

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

Introduced and read first time: February 2, 2018

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Alternate Contributory Pension Selection – Former Members – Member**
3 **Contributions**

4 FOR the purpose of requiring that certain members of the Employees' Pension System or
5 the Teachers' Pension System who are subject to the Reformed Contributory Pension
6 Benefit earn a certain rate of interest on certain former member contributions in the
7 Alternate Contributory Pension Selection of the Employees' Pension System or the
8 Teachers' Pension System under certain circumstances; defining a certain term;
9 providing for the application of this Act; and generally relating to interest earned on
10 former member contributions in the Alternate Contributory Pension Selection of the
11 Employees' Pension System or the Teachers' Pension System.

12 BY repealing and reenacting, with amendments,
13 Article – State Personnel and Pensions
14 Section 23–213
15 Annotated Code of Maryland
16 (2015 Replacement Volume and 2017 Supplement)

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

19 **Article – State Personnel and Pensions**

20 23–213.

21 (a) Except as provided in subsection (b) of this section, regular interest is payable
22 on member contributions at the rate of 5% per year compounded annually until retirement
23 or withdrawal of contributions and interest.

24 (b) **[No] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, NO**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 further interest shall be paid on member contributions after membership ends if the former
2 member is not eligible to receive a vested allowance under Title 29, Subtitle 3 of this article.

3 **(C) (1) IN THIS SUBSECTION, “ACTIVE MEMBER” MEANS A MEMBER WHO**
4 **IS NOT SEPARATED FROM EMPLOYMENT WITH THE STATE OR A PARTICIPATING**
5 **EMPLOYER OF THE EMPLOYEES’ PENSION SYSTEM OR THE TEACHERS’ PENSION**
6 **SYSTEM.**

7 **(2) THIS SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHO:**

8 **(I) IS A FORMER MEMBER OF THE ALTERNATE CONTRIBUTORY**
9 **PENSION SELECTION;**

10 **(II) IS NOT ELIGIBLE TO RECEIVE A VESTED ALLOWANCE FROM**
11 **THE ALTERNATE CONTRIBUTORY PENSION SELECTION UNDER TITLE 29, SUBTITLE**
12 **3 OF THIS ARTICLE;**

13 **(III) HAS NOT WITHDRAWN THE INDIVIDUAL’S MEMBER**
14 **CONTRIBUTIONS FROM THE ALTERNATE CONTRIBUTORY PENSION SELECTION;**
15 **AND**

16 **(IV) IS AN ACTIVE MEMBER SUBJECT TO THE REFORMED**
17 **CONTRIBUTORY PENSION BENEFIT.**

18 **(3) AN INDIVIDUAL DESCRIBED IN PARAGRAPH (2) OF THIS**
19 **SUBSECTION SHALL RECEIVE REGULAR INTEREST AT THE RATE DESCRIBED UNDER**
20 **SUBSECTION (A) OF THIS SECTION ON THE INDIVIDUAL’S MEMBER CONTRIBUTIONS**
21 **IN THE ALTERNATE CONTRIBUTORY PENSION SELECTION WHILE THE INDIVIDUAL**
22 **IS AN ACTIVE MEMBER SUBJECT TO THE REFORMED CONTRIBUTORY PENSION**
23 **BENEFIT.**

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
25 1, 2018.