

# HOUSE BILL 1379

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By: **Delegate B. Barnes**

Introduced and read first time: February 20, 2019

Assigned to: Rules and Executive Nominations

Re-referred to: Appropriations, February 25, 2019

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Committee Report: Favorable

House action: Adopted

Read second time: March 9, 2019

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

1 AN ACT concerning

2 **Optional Retirement Program – Membership**

3 FOR the purpose of prohibiting certain individuals who are members of the Employees'  
4 Pension System of the State Retirement and Pension System from becoming a  
5 member of the Optional Retirement Program of the State Retirement and Pension  
6 System on or after a certain date; and generally relating to membership in the  
7 Optional Retirement Program of the State Retirement and Pension System.

8 BY repealing and reenacting, without amendments,  
9 Article – State Personnel and Pensions  
10 Section 30–302, 30–303, and 30–307  
11 Annotated Code of Maryland  
12 (2015 Replacement Volume and 2018 Supplement)

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

15 **Article – State Personnel and Pensions**

16 30–302.

17 (a) An election to participate in the program shall be made by an eligible employee  
18 at commencement of employment.

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

3 (c) An individual who previously participated in a State system as an employee  
4 of an employing institution or any other unit of State government may not elect to  
5 participate in the program.

6 30-303.

7 (a) An eligible employee shall elect to:

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

10 (2) participate in the program.

11 (b) An eligible employee shall:

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

13 (2) file the election with the Board of Trustees and the employing  
14 institution at commencement of employment.

15 (c) An eligible employee's election under this section is a one-time, irrevocable  
16 election.

17 (d) The effective date of the election shall be the day of commencement of  
18 employment.

19 30-307.

20 (a) (1) This subsection applies to an election to participate in the program  
21 made on or before June 30, 2017.

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

26 (3) For the purpose of determining eligibility for immediate vested rights  
27 or benefits in a retirement system or pension system, an eligible employee who is a member  
28 of that State system when the employee elects to participate in the program is deemed to  
29 have separated from employment on the effective date of the election.

30 (4) The Board of Trustees may only compute retirement system or pension  
31 system benefits on the basis of years of creditable service as a member of that State system.

1           (5)   (i)    This paragraph applies only to a participating employee whose  
2 last employer prior to joining the program was a participating employer that does not  
3 participate in the employer pick-up program as defined in § 414(h)(2) of the Internal  
4 Revenue Code.

5           (ii)   A participating employee may withdraw any accumulated  
6 contributions in the annuity savings fund on or after the effective date of the participating  
7 employee's election to join the program.

8           (iii)  If a participating employee withdraws the accumulated  
9 contributions, the participating employee forfeits any right to a benefit in the State system  
10 from which the accumulated contributions were withdrawn.

11          (b)   (1)   A participating employee is ineligible for membership in a retirement  
12 system or pension system while the participating employee is employed in any eligible  
13 position by any employing institution.

14          (2)   A participating employee who is subsequently appointed, promoted, or  
15 transferred to another position that is eligible for membership in a State system but is not  
16 eligible for participation in the program shall participate in a State system with respect to  
17 that position as a condition of employment.

18           SECTION 2. AND BE IT FURTHER ENACTED, That:

19          (a)   This section applies to an individual who:

20           (1)   on or before July 1, 1993, began employment with the Maryland  
21 General Assembly and enrolled in the Employees' Pension System of the State Retirement  
22 and Pension System as a condition of employment;

23           (2)   on or before December 1, 1997, accepted employment as a legislative  
24 liaison for Towson University and elected to participate in the Optional Retirement  
25 Program of the State Retirement and Pension System instead of membership in the  
26 Teachers' Pension System of the State Retirement and Pension System;

27           (3)   on or before November 1, 2010, began employment in an executive  
28 position with the Maryland Department of Transportation and enrolled in the Employees'  
29 Pension System as a condition of employment; and

30           (4)   on or before March 1, 2015, began employment with the University of  
31 Maryland University College and maintained the individual's membership in the  
32 Employees' Pension System.

33          (b)   Notwithstanding §§ 30-302, 30-303, and 30-307 of the State Personnel and  
34 Pensions Article, an individual described under subsection (a) of this section may not  
35 participate in the Optional Retirement Program on or after February 1, 2015.

1           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
2 1, 2019.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.