

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

A BILL ENTITLED

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.

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 30–303.

2 (a) An eligible employee shall elect to:

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

5 (2) participate in the program.

6 (b) An eligible employee shall:

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

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

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

12 (d) The effective date of the election shall be the day of commencement of
13 employment.

14 30–307.

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

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

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

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

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

31 (ii) A participating employee may withdraw any accumulated
32 contributions in the annuity savings fund on or after the effective date of the participating

1 employee's election to join the program.

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

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

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

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

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

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

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

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

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

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

30 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
31 1, 2019.