

Chapter 203

(House Bill 63)

AN ACT concerning

State Retirement and Pension System – Maryland Pension Administration System – Member Contributions

FOR the purpose of requiring a participating employer to submit supporting payroll data to the State Retirement Agency regarding a member's contributions at the time contributions are paid to the Board of Trustees for the State Retirement and Pension System; clarifying certain penalty provisions; making conforming changes; making clarifying changes; and generally relating to providing member contributions and supporting payroll data to the State Retirement Agency.

BY repealing and reenacting, with amendments,
 Article – State Personnel and Pensions
 Section 21–314(c) and (d)
 Annotated Code of Maryland
 (2015 Replacement Volume and 2018 Supplement)

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

Article – State Personnel and Pensions

21–314.

(c) (1) In this subsection, “compensation” means a member's earnable compensation as provided in § 20–101 of this article and includes the amount earned by the member for all pay periods ending during a calendar year even if an amount is paid to the member after December 31 of the calendar year.

(2) [(i)] As each payroll is paid ~~or~~ **AND** in a manner that the Board of Trustees prescribes each participating employer shall:

(i) certify to the Board of Trustees, and the proper fiscal officer of the participating employer shall pay to the Board of Trustees, the member contributions deducted from the compensation of each member employed by the participating employer or made under an employer pickup program[.]; **AND**

(ii) **[Within 5 working days after the payment of each payroll, each participating employer shall]** submit to the State Retirement Agency supporting payroll data required by the State Retirement Agency in a format specified by the State Retirement Agency.

(d) (1) A participating employer that does not pay the member contributions certified under this section **AND SUBMIT THE SUPPORTING PAYROLL DATA** to the Board of Trustees [within the time required] **AS EACH PAYROLL IS PAID AND IN A MANNER PRESCRIBED BY THE BOARD OF TRUSTEES** is liable for:

(i) a penalty of 10% of the ~~amounts~~ **MEMBER CONTRIBUTIONS** due; ~~and~~

(ii) interest on delinquent ~~amounts~~ **MEMBER CONTRIBUTIONS** at 10% a year until paid;

~~(2) A participating employer that does not submit supporting payroll data as required by the State Retirement Agency [within the time required] is liable for:~~

~~(i) (III)~~ a [late charge of] \$250 **PENALTY** for each payroll for which the supporting data is [late] **NOT SUBMITTED**; and

~~(ii) (IV)~~ interest on [delinquent late charges] ~~A PENALTY~~ **THE PENALTY ASSESSED UNDER ITEM (III) OF THIS PARAGRAPH** at 10% per year if the [late charge] **PENALTY** is not paid by the date certified by the State Retirement Agency.

(3) The Secretary of the Board of Trustees may allow a grace period for payment of the amounts due or submission of supporting payroll data as required under this section not to exceed 10 working days.

(4) On notification by the Secretary of the Board of Trustees that a delinquency exists, the State Comptroller immediately shall set off the delinquent amount against any money due or coming due to the delinquent participating employer.

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

Approved by the Governor, April 18, 2019.