

HOUSE BILL 115

K4

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By: **Delegate D.E. Davis (By Request)**

Introduced and read first time: January 13, 2020

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Teachers' Pension System – Option Election**

3 FOR the purpose of allowing certain retirees of the Teachers' Pension System to elect a
4 change in an optional form of allowance; specifying the manner in which an election
5 to change a certain optional form of allowance shall be made; specifying the manner
6 in which a retiree's allowance shall be calculated and paid under a change to an
7 optional form of allowance made in accordance with this Act; providing for the
8 termination of this Act; and generally relating to electing an optional form of
9 allowance from the Teachers' Pension System.

10 BY repealing and reenacting, without amendments,
11 Article – State Personnel and Pensions
12 Section 21–401
13 Annotated Code of Maryland
14 (2015 Replacement Volume and 2019 Supplement)

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

17 **Article – State Personnel and Pensions**

18 21–401.

19 (a) (1) Subject to paragraph (2) of this subsection, instead of the basic
20 allowance provided under the State system of a member, the member may elect a reduced
21 allowance to be paid as one of the options under § 21–403 of this subtitle.

22 (2) Paragraph (1) of this subsection applies to a member of:

23 (i) the Law Enforcement Officers' Pension System or State Police
24 Retirement System only if, at retirement, the member does not have a spouse; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) the Judges' Retirement System only if, at retirement, the
2 member does not have a spouse or child under the age of 18 years.

3 (b) To elect an optional form of allowance, a member shall:

4 (1) complete the appropriate form that the Board of Trustees provides; and

5 (2) file the form with the Board of Trustees before the first allowance
6 payment normally becomes due.

7 (c) A member who has elected an optional form of allowance may change the
8 election only if the member notifies the Board of Trustees before the first allowance
9 payment normally becomes due.

10 (d) If a member dies before the effective date of retirement, the Board of Trustees
11 shall pay the benefits payable on the member's behalf as if the member had not elected an
12 optional form of allowance.

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

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

15 (1) was a member of the Teachers' Pension System;

16 (2) was employed as a teacher with the Prince George's County public
17 school system on or after January 1, 1988;

18 (3) ceased employment as a teacher with the Prince George's County public
19 school system on or after June 30, 2017; and

20 (4) is a retiree of the Teachers' Pension System who elected "Option 1"
21 under § 21-403(a) of the State Personnel and Pensions Article as an optional form of
22 allowance in accordance with § 21-401 of the State Personnel and Pensions Article.

23 (b) (1) Notwithstanding § 21-401(c) of the State Personnel and Pensions
24 Article, an individual described under subsection (a) of this section may change the
25 individual's election of an optional form of allowance.

26 (2) An election to change an optional form of allowance under paragraph
27 (1) of this subsection shall be:

28 (i) made on or before December 31, 2020; and

29 (ii) submitted to the Board of Trustees for the State Retirement and
30 Pension System on a form provided by the Board of Trustees.

1 (c) A retiree's allowance under a change to an optional form of allowance made in
2 accordance with subsection (b) of this section shall:

3 (1) be calculated as if the optional form of allowance was elected at the time
4 of retirement, and include any applicable cost-of-living adjustments that would have been
5 made to the allowance; and

6 (2) apply prospectively from the first distribution after the election to
7 change an optional form of allowance is submitted to the Board of Trustees.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
9 1, 2020. It shall remain effective for a period of 1 year and, at the end of June 30, 2021, this
10 Act, with no further action required by the General Assembly, shall be abrogated and of no
11 further force and effect.