

HB1028/543229/1

BY: Budget and Taxation Committee

AMENDMENTS TO HOUSE BILL 1028
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, strike “**Committee**”; in line 4, after the first “of” insert “clarifying that the Board of Trustees for the State Retirement and Pension System shall pay certain incentive compensation to the Chief Investment Officer for the State Retirement and Pension System if the Chief Investment Officer retires from the Investment Division of the State Retirement Agency in a certain manner; clarifying that the Board of Trustees shall pay certain incentive compensation to certain employees of the Investment Division if the employees retire from the Investment Division in a certain manner;”; in line 5, strike “for the State Retirement and Pension System”; and in line 20, after the second “(b),” insert “(c).”.

AMENDMENT NO. 2

On page 2, in line 13, after “(a)” insert “**(1)**”; in line 14, strike the brackets; in the same line, strike “**COMPENSATION AND STAFFING**”; after line 17, insert:

“(2) THE COMPENSATION AND STAFFING COMMITTEE SHALL ASSIST THE EXECUTIVE DIRECTOR AND THE INVESTMENT COMMITTEE IN RECOMMENDING QUALIFICATIONS, COMPENSATION, AND LEAVE FOR THE CHIEF INVESTMENT OFFICER, INCLUDING ANY SALARY CHANGES FOR THE CHIEF INVESTMENT OFFICER.”;

in line 18, after “making” insert “**RECOMMENDATIONS,**”; in the same line, after “determinations” insert a comma; in line 19, strike “Executive Director and the [Investment]” and substitute “**BOARD OF TRUSTEES, EXECUTIVE DIRECTOR, INVESTMENT COMMITTEE, AND**”; and after line 35, insert:

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“(c) (1) In addition to the Board of Trustees setting the compensation of the Chief Investment Officer under subsection (a) of this section, the Board of Trustees may also award financial incentives to the Chief Investment Officer in accordance with this subsection and subsection (d) of this section.

(2) (i) Any financial incentives paid shall be paid over multiple fiscal years in equal installments.

(ii) The dates on which financial incentives awarded under this section shall be paid shall be set by the Board of Trustees at the time the financial incentives are determined.

(iii) The dates set under subparagraph (ii) of this paragraph may not be changed after being set.

(3) (i) Except as provided in subparagraph (ii) of this paragraph, if the Chief Investment Officer separates from employment, the Board of Trustees may not pay out any remaining financial incentives due to be paid after the date of separation from employment.

(ii) The Board of Trustees may pay any remaining [earned] AWARDED financial incentives after the date of separation from employment if the Chief Investment Officer retires directly from the Investment Division on or within 30 days after the date of separation from employment.

(4) (i) The Board of Trustees may not pay financial incentives in a fiscal year in which State employees are subject to a furlough.

(ii) [The] EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH, THE Board of Trustees shall pay out any financial incentives not paid in accordance with subparagraph (i) of this paragraph only:

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1. after the furlough period has ended; and
2. if the Chief Investment Officer is currently employed as the Chief Investment Officer.

(III) AFTER A FURLOUGH PERIOD HAS ENDED, THE BOARD OF TRUSTEES SHALL PAY OUT ANY REMAINING AWARDED FINANCIAL INCENTIVES NOT PAID TO THE CHIEF INVESTMENT OFFICER IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH IF:

1. THE CHIEF INVESTMENT OFFICER SEPARATES FROM EMPLOYMENT WITH THE INVESTMENT DIVISION DURING THE FURLOUGH PERIOD; AND

2. AFTER THE DATE OF SEPARATION FROM EMPLOYMENT, THE CHIEF INVESTMENT OFFICER RETIRES DIRECTLY FROM THE INVESTMENT DIVISION OR WITHIN 30 DAYS AFTER THE DATE OF SEPARATION FROM EMPLOYMENT.”

On page 4, in line 15, strike “AND”; in line 17, strike “CHIEF INVESTMENT OFFICER AND”; strike beginning with “CHIEF” in line 18 down through “AND” in line 19; and in line 19, after “DIVISION” insert “;AND”

4. IN ACCORDANCE WITH § 21-118.1 OF THIS SUBTITLE, ANY COMPENSATION AND FINANCIAL INCENTIVES FOR THE CHIEF INVESTMENT OFFICER, INCLUDING SALARY INCREASES OR DECREASES RECOMMENDED FOR THE CHIEF INVESTMENT OFFICER”

On page 5, in line 11, strike “earned” and substitute “BEEN AWARDED”; in line 14, strike “earned” and substitute “AWARDED”; in line 21, strike “The” and substitute

(Over)

“EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 3 OF THIS SUBPARAGRAPH, THE”;
and after line 26, insert:

“3. AFTER A FURLOUGH PERIOD HAS ENDED, THE BOARD OF TRUSTEES SHALL PAY OUT ANY REMAINING AWARDED FINANCIAL INCENTIVES NOT PAID TO AN INDIVIDUAL IN ACCORDANCE WITH SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH IF:

A. THE INDIVIDUAL SEPARATES FROM EMPLOYMENT WITH THE INVESTMENT DIVISION DURING THE FURLOUGH PERIOD; AND

B. AFTER THE DATE OF SEPARATION FROM EMPLOYMENT, THE INDIVIDUAL RETIRES DIRECTLY FROM THE INVESTMENT DIVISION OR WITHIN 30 DAYS AFTER THE DATE OF SEPARATION FROM EMPLOYMENT.”

On page 6, in line 25, strike “AND”; after line 25, insert:

“3. ONE OR MORE MEMBERS OF THE BOARD OF TRUSTEES UNDER § 21-104(A)(4)(VI) OR (VII) OF THIS SUBTITLE, APPOINTED BY THE CHAIRMAN OF THE BOARD OF TRUSTEES; AND”;

and in line 26, strike “3.” and substitute “4.”.

On page 7, in line 20, strike “The” and substitute “1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, THE”; and after line 22, insert:

“2. THE BOARD OF TRUSTEES MAY ENTER INTO AN AGREEMENT WITH A CONSULTANT SELECTED UNDER SUBPARAGRAPH (I) OF THIS

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PARAGRAPH TO PROVIDE EXECUTIVE SEARCH SERVICES FOR THE BOARD OF TRUSTEES OR THE EXECUTIVE DIRECTOR.”.