

SENATE BILL 864

P6

5lr3039
CF 5lr3036

By: **Senator Muse**

Introduced and read first time: January 28, 2025

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Employees' Pension System – Town of Forest Heights Employees – Membership**

3 FOR the purpose of authorizing certain employees of the Town of Forest Heights to
4 participate in the Employees' Pension System; providing that membership in the
5 Employees' Pension System is optional for certain employees of the Town of Forest
6 Heights; requiring certain employees of the Town of Forest Heights to make a certain
7 election on a certain date; providing for certain employees of the Town of Forest
8 Heights to receive service credit for certain prior service; providing that certain
9 employees of the Town of Forest Heights who become members of the Employees'
10 Pension System after a certain date may not receive certain service credit; and
11 generally relating to employees of the Town of Forest Heights participating in the
12 Employees' Pension System.

13 BY repealing and reenacting, without amendments,
14 Article – State Personnel and Pensions
15 Section 23–204(a)(1)(vi), (3), (4), and (5) and 31–109
16 Annotated Code of Maryland
17 (2024 Replacement Volume and 2024 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – State Personnel and Pensions
20 Section 31–111
21 Annotated Code of Maryland
22 (2024 Replacement Volume and 2024 Supplement)

23 BY adding to
24 Article – State Personnel and Pensions
25 Section 31–111.9
26 Annotated Code of Maryland
27 (2024 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – State Personnel and Pensions**

4 23–204.

5 (a) (1) Membership in the Employees’ Pension System is optional for an
6 individual who is:

7 (vi) except as provided in subsection (g) of this section, an employee
8 of a participating governmental unit who is employed by the participating governmental
9 unit before the effective date of participation and who remains an employee of the
10 participating governmental unit through the effective date of participation.

11 (3) An individual described under paragraph (1)(vi) of this subsection who
12 elects to join the Employees’ Pension System shall make the election prior to the effective
13 date of participation by filing a written application with the Board of Trustees on a form
14 that the Board of Trustees provides.

15 (4) An election to join the Employees’ Pension System under this
16 subsection is a one–time, irrevocable election.

17 (5) If an election to join the Employees’ Pension System is not received by
18 the Board of Trustees within the period of time described in paragraph (2) or (3) of this
19 subsection, the individual may not elect to join the Employees’ Pension System while
20 employed in that position.

21 31–109.

22 (a) Subject to subsection (b) of this section, the legislative body of an eligible
23 governmental unit may approve participation by its employees in the Employees’ Pension
24 System if:

25 (1) the legislative body adopts a resolution in the form prescribed by the
26 Board of Trustees; and

27 (2) the eligible governmental unit operates a local plan, only if:

28 (i) at least 60% of the members of the local plan petition to become
29 members of the Employees’ Pension System;

30 (ii) the eligible governmental unit satisfies the requirements in
31 subsection (b) of this section; and

1 (iii) the legislative body approves participation of the eligible
2 governmental unit in the Employees' Pension System as though the local plan were not in
3 operation.

4 (b) An eligible governmental unit that operates a local plan may approve
5 participation by its employees in the Employees' Pension System only if:

6 (1) the local plan of the eligible governmental unit requires member
7 contributions at the same rate as the member contribution rate that would be applicable to
8 employees of the eligible governmental unit in the Employees' Pension System; or

9 (2) the eligible governmental unit:

10 (i) does not provide for the employer pickup of member
11 contributions to the local plan within the meaning of § 414(h)(2) of the Internal Revenue
12 Code; and

13 (ii) certifies that it will not become an approved employer under §
14 21-313 of this article on or after the effective date of participation.

15 (c) (1) If an eligible governmental unit does not satisfy the requirements
16 under subsection (b) of this section, the eligible governmental unit may submit a request to
17 the Board of Trustees to participate in the Employees' Pension System.

18 (2) The Board of Trustees shall consider a request made under paragraph
19 (1) of this subsection and determine whether any legislation is necessary to allow the
20 eligible governmental unit to participate in the Employees' Pension System.

21 (3) The Board of Trustees shall make recommendations to the Joint
22 Committee on Pensions regarding any legislation that it determines is necessary to allow
23 the eligible governmental unit to participate in the Employees' Pension System.

24 31-111.

25 (a) Except as provided in subsection (b) of this section and §§ 31-111.1, 31-111.3,
26 31-111.4, 31-111.5, 31-111.6, 31-111.7, [and] 31-111.8, **AND 31-111.9** of this subtitle, if
27 an employee of a participating governmental unit joins the Employees' Pension System on
28 the effective date, the employee is entitled to service credit for employment with the
29 participating governmental unit before the effective date.

30 (b) If an employee of the Baltimore Metropolitan Council elects to become a
31 member of the Employees' Retirement System or the Employees' Pension System, the
32 employee may not receive credit for service from July 1, 1992, to the effective date unless
33 the employee pays to the Board of Trustees the amount of the member contributions the
34 employee would have made during that period, plus regular interest.

35 **31-111.9.**

1 **(A) AN EMPLOYEE OF THE TOWN OF FOREST HEIGHTS WHO ELECTS**
2 **MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM IN ACCORDANCE WITH §**
3 **23-204(A) OF THIS ARTICLE AND IS AN EMPLOYEE OF THE TOWN OF FOREST**
4 **HEIGHTS ON THE EFFECTIVE DATE SHALL RECEIVE ELIGIBILITY SERVICE AND**
5 **CREDITABLE SERVICE IN THE EMPLOYEES' PENSION SYSTEM EQUAL TO 50% OF THE**
6 **INDIVIDUAL'S PERIOD OF EMPLOYMENT WITH THE TOWN OF FOREST HEIGHTS**
7 **BEFORE THE EFFECTIVE DATE AS CERTIFIED BY THE TOWN OF FOREST HEIGHTS AS**
8 **OF THE EFFECTIVE DATE.**

9 **(B) IF AN EMPLOYEE OR A FORMER EMPLOYEE OF THE TOWN OF FOREST**
10 **HEIGHTS BECOMES A MEMBER OF THE EMPLOYEES' PENSION SYSTEM AT ANY TIME**
11 **AFTER THE EFFECTIVE DATE, THE EMPLOYEE MAY NOT RECEIVE SERVICE CREDIT**
12 **FOR EMPLOYMENT WITH THE TOWN OF FOREST HEIGHTS BEFORE THE EFFECTIVE**
13 **DATE.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
15 1, 2025.