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Patrick Moran - President

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**HB 424 - State Retirement and Pension System - Nonvested Accounts - Regular Interest  
POSITION: FAVORABLE**

AFSCME Council 3 supports HB 424. Currently, when a state employee starts a job in a different pension system, and they transfer jobs prior to vesting in that system and enter a different pension system – they are prohibited by the IRS from taking the funds out of the old system as long as they are still working. Since you cannot get a refund on your contributions back, the Retirement system pays the employee interest for the first 4 years after the employee’s transfer but makes money from the employee’s contribution into the old system for the duration that the employee is employed.

HB 424 corrects a fairness issue by allowing employees in this situation to collect interest on non-vested accounts until the employee quits working.

We urge the committee to provide a favorable report. Thank you.

Every AFSCME Maryland State and University contract guarantees a right to union representation.  
An employee has the right to a union representative if requested by the employee.  
800.492.1996

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