



The reason this law is necessary is because:

- Currently, the Retirement Agency holds assets hostage without paying interest on the contributions of former members who are not vested but are active in another system or plan.
- Some members change employment which may require a change in systems before they were vested in their prior system.
- Not all systems and plans can be combined, or service transferred to a new system. Specifically, service from the employees, teachers, correctional officers, and law enforcement officers systems cannot be combined or transferred into a Legislative or Judges account.
- Some former members do not withdraw their contributions after they leave employment and before they start in a new system.
- Contributions on a nonvested account only earn interest for 4 years after a member who is not vested leaves employment.
- Federal law prohibits members from withdrawing any contributions from any account, even their abandoned account, while they are working for the State or any participating employer. This law is based on maintaining the integrity of our tax status.

This law, once amended, will provide contributions to interest on former member contributions in the Employees and Teachers Retirement/Pension System, State Police Retirement System, Correctional Officers Retirement System (CORS), Law Enforcement Officers Pension System (LEOPS), Judges, or legislative plan under these certain circumstances:

- The former member has not separated from employment with the state or a participating employer of the Retirement/Pension System,
- The former member is not eligible to receive a vested allowance under Title 29, Subtitle 3 of this article;
- The former member has not withdrawn the individual's member contributions from the non-vested account; and
- The former member is an active member subject to a different Maryland State Retirement Agency Staff (MSRPS) retirement or pension benefit or plan.

Thank you for your time and consideration in helping the Maryland State Retirement Agency provide the best customer service to our customers. Our State and local government employees will be happy to learn that the contributions they paid into the system will earn interest, while they continue to be employed by their State or Maryland State Retirement Agency Staff (MSRPS) participating employer.

**I urge a favorable report.**

*Karen Lewis Young*

Senator Karen Lewis Young