

HOUSE BILL 40

K4

7lr1129

(PRE-FILED)

By: **Delegate McConkey**

Requested: November 14, 2016

Introduced and read first time: January 11, 2017

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Retirement and Pension System – Funding Ratio Report – Market Value of**
3 **Assets**

4 FOR the purpose of requiring the Board of Trustees for the State Retirement and Pension
5 System to submit a report on or before a certain date each year to the Joint
6 Committee on Pensions and the General Assembly on the funding ratio of the State
7 Retirement and Pension System based on the market value of the assets; and
8 generally relating to a reporting requirement on the funding ratio of the State
9 Retirement and Pension System based on the market value of the assets.

10 BY repealing and reenacting, with amendments,
11 Article – State Personnel and Pensions
12 Section 21–125
13 Annotated Code of Maryland
14 (2015 Replacement Volume and 2016 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 21–125.

19 (a) The Board of Trustees shall designate an actuary who shall:

20 (1) give technical advice to the Board of Trustees on the operation of the
21 funds of the several systems; and

22 (2) perform other related duties that the Board of Trustees requires.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(b) (1) On the basis of actuarial assumptions that the Board of Trustees adopts, each year the actuary shall make a valuation of the assets and liabilities of the funds of the several systems.

(2) Each year the Board of Trustees shall certify to the Secretary of Budget and Management and to the Governor the rates of employer contributions.

(3) For purposes of actuarial valuation, the Board of Trustees may adopt a generally accepted method for determining the value of the assets held by the several systems.

(4) For general ledger accounting and financial reporting, the Board of Trustees shall use generally accepted accounting principles.

(c) (1) At least once in each 5-year period, the actuary shall make:

(i) actuarial investigations into the compensation, mortality, and service experience of the participants of each of the several systems; and

(ii) a valuation of the assets and liabilities of the funds of each of the several systems.

(2) The Board of Trustees shall:

(i) review the results of the investigations and valuations of the actuary; and

(ii) adopt the actuarial assumptions for each of the several systems as the Board of Trustees considers necessary.

(D) ON OR BEFORE DECEMBER 1 EACH YEAR, THE BOARD OF TRUSTEES SHALL SUBMIT A REPORT TO THE JOINT COMMITTEE ON PENSIONS AND THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE FUNDING RATIO OF THE FUNDS OF THE SEVERAL SYSTEMS BASED ON THE MARKET VALUE OF THE ASSETS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.