SENATE BILL 960

K4 (0lr3630)

ENROLLED BILL

— Budget and Taxation/Appropriations —

Introduced by **Senator Hettleman**

Read and Examined by Proofreaders:

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Proofreader.

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Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____M.

_____

President.

CHAPTER _____

1 AN ACT concerning

2 ~~Optional Retirement Program~~ *State Retirement and Pension*
3 *System* – **Membership _and Benefits_**

4 FOR the purpose of prohibiting certain individuals who are members of the Employees'
5   Pension System of the State Retirement and Pension System from becoming a
6   member of the Optional Retirement Program of the State Retirement and Pension
7   System on or after a certain date; _prohibiting certain individuals from continuing_
8   _membership in the Optional Retirement Program on or after a certain date; requiring_
9   _certain individuals to resume participation as a member of the Employees' Pension_
10   _System on a certain date; providing that certain retirees of the Teachers' Pension_
11   _System of the State Retirement and Pension System who meet certain criteria may_
12   _continue employment with certain participating employers of the State Retirement_
13   _and Pension System without incurring a certain break in service following retirement_
14   _from the Teachers' Pension System; requiring certain members of the Employees'_
15   _Pension System to cease membership in the Employees' Pension System under certain_

1   *circumstances as of a certain date; providing that certain individuals shall receive a*
2   *specified benefit from the Employees' Pension System as of a certain date after*
3   *separating from certain employment with certain participating employers of the State*
4   *Retirement and Pension System;* and generally relating to membership *and benefits*
5   in the ~~Optional Retirement Program of the~~ State Retirement and Pension System.

6   BY repealing and reenacting, without amendments,
7   Article – State Personnel and Pensions
8   Section *23–407(d),* 30–302, 30–303, and 30–307
9   Annotated Code of Maryland
10   (2015 Replacement Volume and 2019 Supplement)

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

Article – State Personnel and Pensions

14   *23–407.*

15   *(d)   An individual who is receiving a service retirement allowance under this title*
16   *may not be employed within 45 days of the date the individual retired, on a permanent,*
17   *temporary, or contractual basis, by:*

18   *(1)   the State or other participating employer; or*

19   *(2)   a withdrawn participating governmental unit, if the retiree was an*
20   *employee of the withdrawn participating governmental unit while the withdrawn*
21   *governmental unit was a participating employer.*

22   30–302.

23   (a)   An election to participate in the program shall be made by an eligible employee
24   at commencement of employment.

25   (b)   An eligible employee's election to participate in the program is a one–time
26   irrevocable election.

27   (c)   An individual who previously participated in a State system as an employee
28   of an employing institution or any other unit of State government may not elect to
29   participate in the program.

30   30–303.

31   (a)   An eligible employee shall elect to:

32   (1)   join a pension or retirement system in accordance with the provisions
33   of this Division II applicable to that system; or

1   (2)   participate in the program.

2   (b)   An eligible employee shall:

3   (1)   make an election under this section in writing; and

4   (2)   file the election with the Board of Trustees and the employing
5 institution at commencement of employment.

6   (c)   An eligible employee's election under this section is a one–time, irrevocable
7 election.

8   (d)   The effective date of the election shall be the day of commencement of
9 employment.

10 30–307.

11   (a)   (1)   This subsection applies to an election to participate in the program
12 made on or before June 30, 2017.

13   (2)   Except as otherwise provided in this section, an election to participate
14 in the program is a waiver of all rights and benefits provided by the retirement or pension
15 system in which the participating employee was a member on the effective date of the
16 election.

17   (3)   For the purpose of determining eligibility for immediate vested rights
18 or benefits in a retirement system or pension system, an eligible employee who is a member
19 of that State system when the employee elects to participate in the program is deemed to
20 have separated from employment on the effective date of the election.

21   (4)   The Board of Trustees may only compute retirement system or pension
22 system benefits on the basis of years of creditable service as a member of that State system.

23   (5)   (i)   This paragraph applies only to a participating employee whose
24 last employer prior to joining the program was a participating employer that does not
25 participate in the employer pick–up program as defined in § 414(h)(2) of the Internal
26 Revenue Code.

27   (ii)   A participating employee may withdraw any accumulated
28 contributions in the annuity savings fund on or after the effective date of the participating
29 employee's election to join the program.

30   (iii)   If a participating employee withdraws the accumulated
31 contributions, the participating employee forfeits any right to a benefit in the State system
32 from which the accumulated contributions were withdrawn.

1   (b)   (1)   A participating employee is ineligible for membership in a retirement
2 system or pension system while the participating employee is employed in any eligible
3 position by any employing institution.

4   (2)   A participating employee who is subsequently appointed, promoted, or
5 transferred to another position that is eligible for membership in a State system but is not
6 eligible for participation in the program shall participate in a State system with respect to
7 that position as a condition of employment.

8   SECTION 2. AND BE IT FURTHER ENACTED, That:

9   (a)   This section applies to an individual who:

10   (1)   on or before July 1, 1986, began employment in the State Personnel
11 Management System as an assistant attorney general assigned to the Maryland
12 Department of Transportation headquarters and enrolled in the Employees' Pension
13 System of the State Retirement and Pension System as a condition of employment;

14   (2)   on or before August 1, 1993, transferred into the personnel system of
15 the University System of Maryland while continuing employment as an assistant attorney
16 general but reassigned to work on higher education issues and elected to participate in the
17 Optional Retirement Program of the State Retirement and Pension System;

18   (3)   on or before March 1, 1997, transferred into the State Personnel
19 Management System while continuing employment as an assistant attorney general
20 assigned to work on higher education issues and resumed participation in the Employees'
21 Pension System of the State Retirement and Pension System as a condition of employment;
22 and

23   (4)   on or before April 1, 1997, withdrew their accumulated contributions
24 from the Optional Retirement Program.

25   (b)   Notwithstanding §§ 30–302, 30–303, and 30–307 of the State Personnel and
26 Pensions Article, an individual described under subsection (a) of this section may not
27 participate in the Optional Retirement Program on or after July 1, 2020.

28   <u>SECTION 3. AND BE IT FURTHER ENACTED, That:</u>

29   <u>(a)</u>   <u>This section applies to an individual who:</u>

30   <u>(1)</u>   <u>on or after January 1, 2007, began employment with the Carroll County</u>
31 <u>Community College as a web designer and elected to participate in the Optional Retirement</u>
32 <u>Program of the State Retirement and Pension System;</u>

33   <u>(2)</u>   <u>on or after August 1, 2015, began employment with the Maryland</u>
34 <u>Department of Health as a data processor programmer and enrolled in the Employees'</u>
35 <u>Pension System of the State Retirement and Pension System as a condition of employment;</u>

1   (3)   on or after April 1, 2019, began employment with the Department of
2 Human Services as an IT programming analyst and continued membership in the
3 Employees' Pension System; and

4   (4)   on or after December 1, 2019, began employment with the Maryland
5 Higher Education Commission as an IT programmer analyst supervisor and was reenrolled
6 in the Optional Retirement Program in accordance with § 30–307 of the State Personnel
7 and Pensions Article.

8   (b)   Notwithstanding §§ 30–302, 30–303, and 30–307 of the State Personnel and
9 Pensions Article, an individual described under subsection (a) of this section may not
10 participate in the Optional Retirement Program on or after June 1, 2020.

11   (c)   An individual described under subsection (a) of this section shall resume
12 membership in the Employees' Pension System on June 1, 2020.

13   *SECTION 4. AND BE IT FURTHER ENACTED, That:*

14   *(a)   This section applies to an individual who:*

15   *(1)   was employed as a teacher for the Frederick County Public School*
16 *System and retired from the Teachers' Pension System under Title 23 of the State Personnel*
17 *and Pensions Article on or after July 1, 2019;*

18   *(2)   (i)   was elected to the Town Commission for the Town of Walkersville*
19 *in 2015 and again in 2018;*

20   *(ii)   enrolled in the Employees' Pension System under Title 23 of the*
21 *State Personnel and Pensions Article as a commissioner of the Town Commission for the*
22 *Town of Walkersville on or after October 1, 2015; and*

23   *(iii)   remains a commissioner of the Town Commission for the Town of*
24 *Walkersville on June 1, 2020; and*

25   *(3)   on or before July 1, 2020, has reached or exceeded normal retirement age*
26 *in the Employees' Pension System and the Teachers' Pension System.*

27   *(b)   Notwithstanding § 23–407(d) of the State Personnel and Pensions Article, an*
28 *individual described under subsection (a) of this section is not subject to a 45–day break in*
29 *service after retirement from the Teachers' Pension System.*

30   *(c)   (1)   An individual described under subsection (a) of this section shall cease*
31 *membership in the Employees' Pension System as of June 30, 2019.*

32   *(2)   After separating from employment as a commissioner of the Town*
33 *Commission for the Town of Walkersville, the individual shall be entitled to:*

1   *(i)   a return of accumulated contributions or any other benefit to*
2   *which the individual is entitled on the basis of the individual's membership in the*
3   *Employees' Pension System as of June 30, 2019; and*

4   *(ii)   a return of accumulated contributions that were made by the*
5   *individual to the Employees' Pension System from July 1, 2019, through May 31, 2020.*

6   SECTION ~~3.~~ ~~4.~~ *5.* AND BE IT FURTHER ENACTED, That this Act shall take effect
7   ~~July~~ June 1, 2020.

Approved:

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                                                              Governor.

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                                          President of the Senate.

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                                   Speaker of the House of Delegates.