

SENATE BILL 1051

K3, K4

3lr2686

By: ~~Senator Rosapepe~~ Senators Rosapepe and Jones-Rodwell

Introduced and read first time: March 4, 2013

Assigned to: Rules

Re-referred to: Budget and Taxation, March 7, 2013

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 29, 2013

CHAPTER _____

1 AN ACT concerning

2 **Maryland Private Sector Employees Pension Plan ~~and Trust~~ Task Force**

3 FOR the purpose of ~~establishing the Maryland Private Sector Employees Pension Plan~~
4 ~~for eligible private sector employees; establishing the Maryland Private Sector~~
5 ~~Employees Pension Trust; establishing the Maryland Private Sector Employees~~
6 ~~Pension Plan Board to manage, administer, and operate the Plan and the Trust;~~
7 ~~providing for the composition, chair, staffing, and terms of members of the~~
8 ~~Board; providing for the powers and duties of the Board; requiring the Board to~~
9 ~~adopt certain regulations; requiring the Plan to be audited annually; providing~~
10 ~~for the purpose and uses of the Trust; authorizing eligible employers to offer the~~
11 ~~Plan to eligible employees; requiring eligible employees to participate in the~~
12 ~~Plan unless written notice to opt out is provided to the Board; requiring certain~~
13 ~~accumulated contributions in the Trust to be used to purchase certain annuities~~
14 ~~for Plan participants; prohibiting an employee from withdrawing amounts from~~
15 ~~a Plan account until the date of the employee's retirement; prohibiting the~~
16 ~~creation of any obligation on the State to provide certain guarantees under this~~
17 ~~Act; prohibiting the faith, credit, and taxing power of the State to be pledged to~~
18 ~~any debt or obligation under this Act; requiring certain conditions to be met~~
19 ~~before any plan, trust, administrative arrangement, or investment offering may~~
20 ~~be implemented; providing for the expiration of terms of certain initial Board~~
21 ~~members; defining certain terms; establishing the Maryland Private Sector~~
22 ~~Employees Pension Plan ~~Workgroup~~ Task Force; providing for the composition,~~
23 ~~chair, and staffing of the ~~Workgroup~~ Task Force; requiring the ~~Workgroup~~ Task~~
24 ~~Force to study and make recommendations regarding the implementation of a~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 private sector employees pension plan and to report its findings to the Governor
 2 and the General Assembly on or before a certain date; providing for the
 3 termination ~~of certain provisions~~ of this Act; and generally relating to the
 4 Maryland Private Sector Employees Pension Plan ~~and the Maryland Private~~
 5 ~~Sector Employees Pension Trust~~ Task Force.

6 ~~BY adding to~~

7 ~~Article Labor and Employment~~

8 ~~Section 12-101 through 12-502 to be under the new title "Title 12. Maryland~~
 9 ~~Private Sector Employees Pension Plan and Trust"~~

10 ~~Annotated Code of Maryland~~

11 ~~(2008 Replacement Volume and 2012 Supplement)~~

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

14 ~~Article Labor and Employment~~

15 ~~TITLE 12. MARYLAND PRIVATE SECTOR EMPLOYEES PENSION PLAN AND~~
 16 ~~TRUST.~~

17 ~~SUBTITLE 1. DEFINITIONS.~~

18 ~~12-101.~~

19 ~~(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS~~
 20 ~~INDICATED.~~

21 ~~(B) "BOARD" MEANS THE MARYLAND PRIVATE SECTOR EMPLOYEES~~
 22 ~~PENSION PLAN BOARD.~~

23 ~~(C) "ELIGIBLE EMPLOYEE" MEANS A PERSON WHO IS EMPLOYED BY AN~~
 24 ~~ELIGIBLE EMPLOYER.~~

25 ~~(D) (1) "ELIGIBLE EMPLOYER" MEANS A PERSON THAT:~~

26 ~~(H) IS ENGAGED IN A BUSINESS, AN INDUSTRY, A~~
 27 ~~PROFESSION, A TRADE, OR ANY OTHER ENTERPRISE IN THE STATE, WHETHER~~
 28 ~~FOR PROFIT OR NOT FOR PROFIT; AND~~

29 ~~(H) SATISFIES THE REQUIREMENTS TO ESTABLISH OR~~
 30 ~~PARTICIPATE IN A PAYROLL DEPOSIT RETIREMENT SAVINGS ARRANGEMENT.~~

31 ~~(2) "ELIGIBLE EMPLOYER" DOES NOT INCLUDE:~~

1 ~~(I) THE FEDERAL GOVERNMENT;~~

2 ~~(H) THE STATE OR ANY UNIT OF THE STATE;~~

3 ~~(HH) A COUNTY OR ANY UNIT OF THE COUNTY; OR~~

4 ~~(IV) A MUNICIPAL CORPORATION OR ANY UNIT OF THE~~
5 ~~MUNICIPAL CORPORATION.~~

6 ~~(E) "IRA" MEANS AN INDIVIDUAL RETIREMENT ACCOUNT OR~~
7 ~~INDIVIDUAL RETIREMENT ANNUITY UNDER § 408(A) OR (B) OF THE INTERNAL~~
8 ~~REVENUE CODE.~~

9 ~~(F) "MARYLAND PRIVATE SECTOR EMPLOYEES PENSION PLAN"~~
10 ~~MEANS A RETIREMENT SAVINGS PLAN OFFERED BY THE MARYLAND PRIVATE~~
11 ~~SECTOR EMPLOYEES PENSION TRUST ESTABLISHED UNDER THIS TITLE.~~

12 ~~(G) "PARTICIPATING EMPLOYEE" MEANS AN ELIGIBLE EMPLOYEE WHO~~
13 ~~ENROLLS IN A PAYROLL DEPOSIT RETIREMENT SAVINGS ARRANGEMENT UNDER~~
14 ~~THIS TITLE PROVIDED BY A PARTICIPATING EMPLOYER.~~

15 ~~(H) (1) "PARTICIPATING EMPLOYER" MEANS AN ELIGIBLE EMPLOYER~~
16 ~~THAT VOLUNTARILY PROVIDES A PAYROLL DEPOSIT RETIREMENT SAVINGS~~
17 ~~ARRANGEMENT UNDER THIS TITLE FOR ELIGIBLE EMPLOYEES.~~

18 ~~(2) "PARTICIPATING EMPLOYER" DOES NOT INCLUDE AN~~
19 ~~ELIGIBLE EMPLOYER THAT DOES NOT CHOOSE TO PROVIDE A PAYROLL DEPOSIT~~
20 ~~RETIREMENT SAVINGS ARRANGEMENT UNDER THIS TITLE FOR ELIGIBLE~~
21 ~~EMPLOYEES.~~

22 ~~(I) "PAYROLL DEPOSIT RETIREMENT SAVINGS ARRANGEMENT" MEANS~~
23 ~~AN ARRANGEMENT BY WHICH AN EMPLOYER ALLOWS EMPLOYEES TO REMIT~~
24 ~~PAYROLL DEDUCTION CONTRIBUTIONS TO A RETIREMENT SAVINGS PLAN.~~

25 ~~(J) "PLAN" MEANS THE MARYLAND PRIVATE SECTOR EMPLOYEES~~
26 ~~PENSION PLAN ESTABLISHED UNDER THIS TITLE.~~

27 ~~(K) "TRUST" MEANS THE MARYLAND PRIVATE SECTOR EMPLOYEES~~
28 ~~PENSION TRUST ESTABLISHED UNDER THIS TITLE.~~

29 ~~SUBTITLE 2. ESTABLISHMENT; POWERS AND DUTIES OF BOARD.~~

30 ~~12-201.~~

1 ~~(A) THERE IS A MARYLAND PRIVATE SECTOR EMPLOYEES PENSION~~
2 ~~PLAN BOARD.~~

3 ~~(B) THE BOARD CONSISTS OF THE FOLLOWING MEMBERS:~~

4 ~~(1) THE SECRETARY OF BUSINESS AND ECONOMIC~~
5 ~~DEVELOPMENT;~~

6 ~~(2) THE STATE COMPTROLLER;~~

7 ~~(3) THE STATE TREASURER; AND~~

8 ~~(4) THE FOLLOWING MEMBERS, APPOINTED BY THE GOVERNOR:~~

9 ~~(I) AN INDIVIDUAL WITH RETIREMENT SAVINGS AND~~
10 ~~INVESTMENT EXPERTISE;~~

11 ~~(II) A REPRESENTATIVE OF SMALL BUSINESS;~~

12 ~~(III) A REPRESENTATIVE OF EMPLOYEES; AND~~

13 ~~(IV) A MEMBER OF THE PUBLIC.~~

14 ~~(C) (1) THE TERM OF AN APPOINTED MEMBER IS 4 YEARS.~~

15 ~~(2) THE TERMS OF APPOINTED MEMBERS ARE STAGGERED AS~~
16 ~~REQUIRED BY THE TERMS PROVIDED FOR MEMBERS OF THE BOARD ON JULY 1,~~
17 ~~2013.~~

18 ~~(3) AT THE END OF A TERM, AN APPOINTED MEMBER CONTINUES~~
19 ~~TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.~~

20 ~~(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN~~
21 ~~SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS~~
22 ~~APPOINTED AND QUALIFIES.~~

23 ~~(D) THE BOARD SHALL ELECT A CHAIR FROM AMONG THE MEMBERS OF~~
24 ~~THE BOARD.~~

25 ~~(E) THE GOVERNOR MAY REMOVE A MEMBER FOR INCOMPETENCE OR~~
26 ~~MISCONDUCT.~~

27 ~~12-202.~~

1 ~~(A) THE BOARD SHALL MEET AT THE TIMES AND PLACES THE BOARD~~
2 ~~DETERMINES.~~

3 ~~(B) (1) THE BOARD MAY EMPLOY A STAFF AND MAY HIRE~~
4 ~~CONSULTANTS, ADMINISTRATORS, AND OTHER PROFESSIONALS AS NECESSARY~~
5 ~~TO HELP IMPLEMENT, MAINTAIN, AND ADMINISTER THE PLAN AND THE TRUST.~~

6 ~~(2) ALL OPERATING EXPENSES OF THE BOARD AND ALL~~
7 ~~EXPENSES INCURRED TO IMPLEMENT, MAINTAIN, AND ADMINISTER THE PLAN~~
8 ~~AND THE TRUST SHALL BE PAID FROM MONEY COLLECTED BY OR FOR THE~~
9 ~~PLAN OR THE TRUST.~~

10 ~~12-203.~~

11 ~~(A) THE RESPONSIBILITY FOR THE MANAGEMENT, GENERAL~~
12 ~~ADMINISTRATION, AND PROPER OPERATION OF THE PLAN AND THE TRUST IS~~
13 ~~VESTED IN THE BOARD.~~

14 ~~(B) IN CASE OF DOUBT, THE BOARD SHALL DETERMINE THE~~
15 ~~ELIGIBILITY OF AN EMPLOYER, AN EMPLOYEE, OR ANY OTHER INDIVIDUAL TO~~
16 ~~PARTICIPATE IN THE PLAN.~~

17 ~~(C) THE BOARD SHALL:~~

18 ~~(1) ESTABLISH THE PROCESS FOR A PARTICIPATING EMPLOYEE~~
19 ~~TO CONTRIBUTE A PORTION OF THE EMPLOYEE'S SALARY OR WAGES TO THE~~
20 ~~PLAN THROUGH AN IRA, IF:~~

21 ~~(I) THE CONTRIBUTIONS WOULD BE AUTHORIZED UNDER~~
22 ~~THE INTERNAL REVENUE CODE; AND~~

23 ~~(II) THE CONTRIBUTIONS WOULD NOT CAUSE THE PLAN TO~~
24 ~~BE TREATED AS AN EMPLOYEE BENEFIT PLAN UNDER THE FEDERAL EMPLOYEE~~
25 ~~RETIREMENT INCOME SECURITY ACT;~~

26 ~~(2) ESTABLISH THE AMOUNT A PARTICIPATING EMPLOYEE SHALL~~
27 ~~CONTRIBUTE TO THE PLAN, UNLESS OTHERWISE SPECIFIED BY THE EMPLOYEE;~~

28 ~~(3) ESTABLISH THE PROCESS FOR A PARTICIPATING EMPLOYER~~
29 ~~TO VOLUNTARILY PROVIDE A PAYROLL DEPOSIT RETIREMENT SAVINGS~~
30 ~~ARRANGEMENT FOR PARTICIPATING EMPLOYEES;~~

31 ~~(4) ESTABLISH THE PROCESS FOR A PARTICIPATING EMPLOYER~~
32 ~~TO VOLUNTARILY MAKE EMPLOYER CONTRIBUTIONS TO THE PLAN ON BEHALF~~

~~1 OF EACH PARTICIPATING EMPLOYEE THROUGH A PARALLEL 401(A) PLAN WITH
2 INDIVIDUAL ACCOUNTS FOR EACH PARTICIPATING EMPLOYEE, IF THE
3 NECESSARY RULINGS ARE OBTAINED FROM THE INTERNAL REVENUE SERVICE;~~

~~4 (5) ESTABLISH A RECOMMENDED AMOUNT FOR PARTICIPATING
5 EMPLOYERS TO VOLUNTARILY CONTRIBUTE TO THE PLAN ON BEHALF OF EACH
6 PARTICIPATING EMPLOYEE;~~

~~7 (6) DETERMINE:~~

~~8 (I) WHETHER PARTICIPATING EMPLOYERS SHOULD BE
9 PAID A FEE FROM THE TRUST FOR PARTICIPATING IN THE PLAN; AND~~

~~10 (II) THE AMOUNT OF THE FEE, IF A FEE SHOULD BE PAID;~~

~~11 (7) ESTABLISH THE PROCESS FOR AN INDIVIDUAL OR AN
12 EMPLOYEE OF A NONPARTICIPATING EMPLOYER TO ENROLL IN AND MAKE
13 CONTRIBUTIONS TO THE PLAN;~~

~~14 (8) ESTABLISH THE PROCESS FOR DEPOSITING IN THE TRUST
15 THE ACCUMULATED EMPLOYEE CONTRIBUTIONS MADE TO THE PLAN THROUGH
16 IRAS AND THE EMPLOYER CONTRIBUTIONS MADE TO THE PLAN ON BEHALF OF
17 EACH PARTICIPATING EMPLOYEE THROUGH PARALLEL 401(A) PLANS;~~

~~18 (9) DETERMINE WHEN THERE IS A SUFFICIENT ACCUMULATION
19 OF MONEY IN THE TRUST TO BEGIN PURCHASING PIECES OR PARTS OF
20 DEFERRED ANNUITIES ON A YEARLY BASIS FOR PLAN PARTICIPANTS;~~

~~21 (10) ESTABLISH THE CRITERIA TO BE USED TO DETERMINE THE
22 DATE OF A PARTICIPATING EMPLOYEE'S RETIREMENT FOR PURPOSES OF
23 RECEIVING A BENEFIT UNDER THIS TITLE; AND~~

~~24 (11) ESTABLISH THE CRITERIA TO BE USED TO DETERMINE HOW A
25 PARTICIPATING EMPLOYEE'S BENEFIT UNDER THIS TITLE WILL BE
26 DISTRIBUTED AT THE TIME OF THE EMPLOYEE'S RETIREMENT.~~

~~27 (D) THE BOARD MAY CONSULT WITH THE BOARD OF TRUSTEES FOR
28 THE STATE RETIREMENT AND PENSION SYSTEM AS NECESSARY FOR GUIDANCE
29 WITHIN THE AREAS OF EXPERTISE OF THE BOARD OF TRUSTEES.~~

~~30 12-204.~~

~~31 THE BOARD SHALL ADOPT REGULATIONS PROVIDING FOR:~~

1 ~~(1) THE IMPLEMENTATION OF THIS TITLE CONSISTENT WITH THE~~
2 ~~INTERNAL REVENUE CODE TO ENSURE THAT THE PLAN MEETS ALL CRITERIA~~
3 ~~FOR FEDERAL TAX DEFERRAL OR TAX-EXEMPT BENEFITS, OR BOTH;~~

4 ~~(2) THE ADMINISTRATION OF THE PLAN AND THE TRUST; AND~~

5 ~~(3) THE TRANSACTION OF THE BOARD'S BUSINESS.~~

6 ~~12-205.~~

7 ~~(A) AN AUDIT OF THE PLAN SHALL BE CONDUCTED ANNUALLY BY AN~~
8 ~~INDEPENDENT AND QUALIFIED CERTIFIED PUBLIC ACCOUNTANT SELECTED BY~~
9 ~~THE BOARD.~~

10 ~~(B) THE AUDIT REPORT SHALL BE PREPARED IN ACCORDANCE WITH~~
11 ~~GENERALLY ACCEPTED AUDITING PRINCIPLES AND SHALL BE FILED WITH THE~~
12 ~~BOARD.~~

13 ~~SUBTITLE 3. MARYLAND PRIVATE SECTOR EMPLOYEES PENSION TRUST.~~

14 ~~12-301.~~

15 ~~(A) THERE IS A RETIREMENT SAVINGS TRUST KNOWN AS THE~~
16 ~~MARYLAND PRIVATE SECTOR EMPLOYEES PENSION TRUST.~~

17 ~~(B) THE MARYLAND PRIVATE SECTOR EMPLOYEES PENSION TRUST~~
18 ~~SHALL BE ADMINISTERED BY THE BOARD FOR THE PURPOSE OF PROMOTING~~
19 ~~GREATER RETIREMENT SAVINGS FOR MARYLAND PRIVATE SECTOR EMPLOYEES~~
20 ~~IN A CONVENIENT, VOLUNTARY, LOW-COST, AND PORTABLE MANNER.~~

21 ~~(C) AS A SELF-SUSTAINING TRUST, THE MARYLAND PRIVATE SECTOR~~
22 ~~EMPLOYEES PENSION TRUST SHALL PAY ALL COSTS OF ADMINISTRATION ONLY~~
23 ~~OUT OF MONEY ON DEPOSIT IN THE TRUST.~~

24 ~~(D) THE TRUST MAY BE USED ONLY TO:~~

25 ~~(1) HOLD THE ACCUMULATED EMPLOYEE CONTRIBUTIONS MADE~~
26 ~~TO THE PLAN THROUGH IRAS AND THE EMPLOYER CONTRIBUTIONS MADE TO~~
27 ~~THE PLAN ON BEHALF OF EACH PARTICIPATING EMPLOYEE THROUGH~~
28 ~~PARALLEL 401(A) PLANS;~~

29 ~~(2) PURCHASE DEFERRED ANNUITIES FOR PLAN PARTICIPANTS~~
30 ~~OUT OF MONEY ON DEPOSIT IN THE TRUST; AND~~

1 ~~(3) PAY THE COSTS OF ADMINISTERING THE PLAN, INCLUDING~~
2 ~~THE PAYMENT OF FEES TO PARTICIPATING EMPLOYERS, AS DETERMINED BY~~
3 ~~THE BOARD.~~

4 ~~SUBTITLE 4. MARYLAND PRIVATE SECTOR EMPLOYEES PENSION PLAN.~~

5 ~~12-401.~~

6 ~~(A) THERE IS A MARYLAND PRIVATE SECTOR EMPLOYEES PENSION~~
7 ~~PLAN.~~

8 ~~(B) THE MARYLAND PRIVATE SECTOR EMPLOYEES PENSION PLAN~~
9 ~~SHALL INCLUDE, AS DETERMINED BY THE BOARD, ONE OR MORE PAYROLL~~
10 ~~DEPOSIT RETIREMENT SAVINGS ARRANGEMENTS.~~

11 ~~12-402.~~

12 ~~(A) AFTER THE BOARD OPENS THE MARYLAND PRIVATE SECTOR~~
13 ~~EMPLOYEES PENSION PLAN FOR ENROLLMENT, ANY ELIGIBLE EMPLOYER MAY~~
14 ~~CHOOSE TO HAVE A PAYROLL DEPOSIT RETIREMENT SAVINGS ARRANGEMENT~~
15 ~~TO ALLOW EMPLOYEE PARTICIPATION IN THE PLAN.~~

16 ~~(B) (1) EACH ELIGIBLE EMPLOYEE SHALL BE ENROLLED IN THE~~
17 ~~PLAN UNLESS THE EMPLOYEE ELECTS NOT TO PARTICIPATE IN THE PLAN.~~

18 ~~(2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS~~
19 ~~SUBSECTION, A PARTICIPATING EMPLOYEE SHALL CONTRIBUTE TO THE PLAN~~
20 ~~THE AMOUNT SET BY THE BOARD.~~

21 ~~(3) A PARTICIPATING EMPLOYEE MAY ELECT TO CONTRIBUTE TO~~
22 ~~THE PLAN AN AMOUNT SMALLER THAN THE AMOUNT SET BY THE BOARD.~~

23 ~~(4) AN ELIGIBLE EMPLOYEE MAY ELECT TO OPT OUT OF THE~~
24 ~~PLAN BY NOTIFYING THE BOARD IN WRITING ON A FORM PROVIDED BY THE~~
25 ~~BOARD.~~

26 ~~(5) AN ELIGIBLE EMPLOYEE WHO ELECTS TO OPT OUT OF THE~~
27 ~~PLAN WHO SUBSEQUENTLY WANTS TO PARTICIPATE THROUGH THE~~
28 ~~EMPLOYER'S PAYROLL DEPOSIT RETIREMENT SAVINGS ARRANGEMENT MAY~~
29 ~~ENROLL IN THE PLAN AS AUTHORIZED BY THE EMPLOYER.~~

30 ~~(C) INSTEAD OF CHOOSING TO PROVIDE A PAYROLL DEPOSIT~~
31 ~~RETIREMENT SAVINGS ARRANGEMENT FOR EMPLOYEES TO PARTICIPATE IN~~
32 ~~THE PLAN, EMPLOYERS RETAIN THE OPTION TO SET UP ANY TYPE OF~~

1 ~~EMPLOYER SPONSORED RETIREMENT PLAN, INCLUDING A DEFINED BENEFIT~~
2 ~~PLAN OR A 401(K), OR TO OFFER AN AUTOMATIC ENROLLMENT PAYROLL~~
3 ~~DEDUCTION INDIVIDUAL RETIREMENT ACCOUNT.~~

4 ~~(D) A PARTICIPATING EMPLOYEE MAY TERMINATE PARTICIPATION IN~~
5 ~~THE PLAN AT ANY TIME BY NOTIFYING THE BOARD IN WRITING ON A FORM~~
6 ~~PROVIDED BY THE BOARD.~~

7 ~~12-403.~~

8 ~~(A) AS SOON AS PRACTICABLE, THE BOARD SHALL USE THE~~
9 ~~ACCUMULATED CONTRIBUTIONS FROM PARTICIPATING EMPLOYEES AND~~
10 ~~PARTICIPATING EMPLOYERS THAT ARE DEPOSITED IN THE TRUST TO~~
11 ~~PURCHASE PIECES OR PARTS OF DEFERRED ANNUITIES ON A YEARLY BASIS FOR~~
12 ~~PLAN PARTICIPANTS AND THE DEFERRED ANNUITIES SHALL PROVIDE A~~
13 ~~GUARANTEED STREAM OF INCOME PAYABLE AT RETIREMENT FOR THE LIFE OF~~
14 ~~A PLAN PARTICIPANT.~~

15 ~~(B) AFTER ENROLLMENT IN THE PLAN, AN EMPLOYEE MAY NOT~~
16 ~~WITHDRAW ANY AMOUNTS FROM THE EMPLOYEE'S PLAN ACCOUNT UNTIL THE~~
17 ~~DATE OF THE EMPLOYEE'S RETIREMENT.~~

18 ~~(C) IF AN EMPLOYEE SEPARATES FROM EMPLOYMENT WITH THE~~
19 ~~CURRENT PARTICIPATING EMPLOYER:~~

20 ~~(1) THE EMPLOYEE MAY CONTINUE TO CONTRIBUTE TO THE~~
21 ~~EMPLOYEE'S PLAN ACCOUNT; BUT~~

22 ~~(2) THE CURRENT PARTICIPATING EMPLOYER MAY NOT~~
23 ~~CONTINUE TO CONTRIBUTE TO THE EMPLOYEE'S PLAN ACCOUNT.~~

24 ~~SUBTITLE 5. LIMITATION OF LIABILITY.~~

25 ~~12-501.~~

26 ~~(A) THIS TITLE DOES NOT CREATE OR AUTHORIZE ANY OBLIGATION ON~~
27 ~~THE STATE TO PROVIDE ANY GUARANTEE OF INVESTMENT RETURN OR ANY~~
28 ~~OTHER GUARANTEE FOR THE BENEFIT OF ANY INDIVIDUAL OR ENTITY.~~

29 ~~(B) MONEY OR OTHER ASSETS OF THE PLAN OR THE TRUST ARE NOT~~
30 ~~CONSIDERED TO BE STATE MONEY OR ASSETS.~~

1 ~~(C) THE STATE IS NOT AN INSURER OR A GUARANTOR AND DOES NOT~~
 2 ~~HAVE ANY SIMILAR RESPONSIBILITY OR ANY LIABILITY WITH RESPECT TO~~
 3 ~~ACCOUNTS OR MONEY UNDER THE PLAN OR THE TRUST.~~

4 ~~(D) (1) DEBTS OR OBLIGATIONS OF THE PLAN AND THE TRUST ARE~~
 5 ~~NOT CONSIDERED TO BE DEBTS OR OBLIGATIONS OF THE STATE.~~

6 ~~(2) THE FAITH, CREDIT, AND TAXING POWER OF THE STATE~~
 7 ~~CANNOT BE PLEDGED DIRECTLY OR INDIRECTLY OR CONTINGENTLY, MORALLY~~
 8 ~~OR OTHERWISE, TO THE PAYMENT OF ANY SUCH DEBTS OR OBLIGATIONS.~~

9 ~~12-502.~~

10 ~~(A) THE BOARD SHALL OBTAIN OR CAUSE TO BE OBTAINED ANY~~
 11 ~~NECESSARY APPROVALS, RULINGS, OPINIONS, AND CONFIRMATIONS FROM~~
 12 ~~FEDERAL AUTHORITIES OR AGENCIES, INCLUDING THE INTERNAL REVENUE~~
 13 ~~SERVICE, THE U.S. DEPARTMENT OF LABOR, AND THE SECURITIES AND~~
 14 ~~EXCHANGE COMMISSION.~~

15 ~~(B) THE PLAN AND THE TRUST ESTABLISHED UNDER THIS TITLE SHALL~~
 16 ~~ADHERE TO ALL STANDARDS AND REQUIREMENTS OF FEDERAL LAW~~
 17 ~~REGULATING THE OPERATION OF EMPLOYEE BENEFIT PLANS OR IRAs, OR THE~~
 18 ~~OFFERING, SALE, OR DISTRIBUTION OF SECURITIES, WITHOUT REGARD TO ANY~~
 19 ~~EXEMPTION IN FEDERAL LAW AVAILABLE TO A EMPLOYEE BENEFIT PLAN OR~~
 20 ~~IRA MAINTAINED BY A GOVERNMENT EMPLOYER.~~

21 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial~~
 22 ~~members of the Maryland Private Sector Employees Pension Plan Board established~~
 23 ~~by Section 1 of this Act who are subject to appointment end as follows:~~

24 ~~(1) one member in 2014;~~

25 ~~(2) one member in 2015;~~

26 ~~(3) one member in 2016; and~~

27 ~~(4) one member in 2017.~~

28 ~~SECTION 3. AND BE IT FURTHER ENACTED, That:~~ SECTION 1. BE IT
 29 ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

30 (a) There is a Maryland Private Sector Employees Pension Plan ~~Workgroup~~
 31 Task Force.

32 (b) The ~~Workgroup~~ Task Force consists of the following members:

- 1 (1) the State Treasurer;
- 2 (2) the State Comptroller;
- 3 (3) the Secretary of Business and Economic Development;
- 4 (4) the Secretary of Labor, Licensing, and Regulation;
- 5 (5) two members of the Senate of Maryland, appointed by the
6 President of the Senate;
- 7 (6) two members of the House of Delegates, appointed by the Speaker
8 of the House; and
- 9 (7) ~~two~~ five members, appointed by the Governor, including:
- 10 (i) an individual with retirement savings and investment
11 expertise; and
- 12 (ii) a representative of labor and industry.
- 13 (c) The ~~Workgroup~~ Task Force shall elect a chair from among its members.
- 14 (d) In deciding which members to appoint, the Governor shall, to the extent
15 practicable, consider the geographic diversity of the State.
- 16 (e) (1) The Department of Legislative Services shall provide staff for the
17 ~~Workgroup~~ Task Force.
- 18 (2) The Task Force shall seek pro bono technical and actuarial
19 analysis from organizations with relevant expertise in matters related to employee
20 retirement.
- 21 ~~(e)~~ (f) A member of the ~~Workgroup~~ Task Force:
- 22 (1) may not receive compensation as a member of the ~~Workgroup~~ Task
23 Force; but
- 24 (2) is entitled to reimbursement for expenses under the Standard
25 State Travel Regulations, as provided in the State budget.
- 26 ~~(f)~~ (g) The ~~Workgroup~~ Task Force shall:
- 27 (1) study the feasibility of implementing a private sector employees
28 pension plan in Maryland, including:

1 (i) authorizing employees to make contributions to a private
2 trust through a payroll deposit retirement savings arrangement;

3 (ii) authorizing the contributions in the private trust to be used
4 to purchase deferred annuities for the employees that will provide a guaranteed
5 stream of income payable at retirement for the life of the employee; and

6 (iii) any other alternatives that may be used to provide a
7 guaranteed stream of income payable at retirement for the life of an employee; and

8 (2) make recommendations regarding the implementation of a private
9 sector employees pension plan in Maryland.

10 ~~(g)~~ (h) On or before December 31, 2013, the ~~Workgroup~~ Task Force shall report
11 its findings and recommendations to the Governor and, in accordance with § 2-1246 of
12 the State Government Article, the General Assembly.

13 ~~SECTION 4. AND BE IT FURTHER ENACTED, That, before any plan, trust,~~
14 ~~administrative arrangement, or investment offering under this Act may be~~
15 ~~implemented, the Maryland Private Sector Employees Pension Plan Board shall~~
16 ~~obtain or cause to be obtained from any one or more of the Internal Revenue Service,~~
17 ~~the U.S. Department of Labor, and the Securities and Exchange Commission any~~
18 ~~approvals, rulings, opinions, and confirmations that may be necessary with respect to,~~
19 ~~or to confirm the validity of, the plan, trust, administrative arrangement, or~~
20 ~~investment offering, including a ruling from the U.S. Department of Labor that the~~
21 ~~401(a) plans used by employers to make voluntary employer contributions on behalf of~~
22 ~~employees to the Maryland Private Sector Employees Pension Plan established under~~
23 ~~this Act does not establish a fiduciary responsibility for employers.~~

24 SECTION ~~5.~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take
25 effect July 1, 2013. ~~Section 3 of this Act~~ It shall remain effective for a period of 2 years
26 and, at the end of June 30, 2015, with no further action required by the General
27 Assembly, ~~Section 3 of~~ this Act shall be abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.