

SB0540/399936/1

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 540
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike in its entirety line 2 and substitute “Study of Retirement Plan Alternatives”; strike beginning with “establishing” in line 3 down through “Plan.” in line 29 and substitute “requiring the Department of Legislative Services to examine potential retirement plan options that may be offered to employees as an alternative to certain defined benefit pension plans; requiring the study to include certain elements; requiring the Department of Legislative Services to report its findings and recommendations to the Joint Committee on Pensions on or before a certain date; providing for the termination of this Act; and generally relating to a study of alternative retirement plans.”.

AMENDMENT NO. 2

On pages 2 through 10, strike in their entirety the lines beginning with line 1 on page 2 through line 20 on page 10, and substitute:

“SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) The Department of Legislative Services shall examine potential retirement plan options that may be offered to new employees as an alternative to the defined benefit pension plans of the State Retirement and Pension System.

(b) The study shall examine:

(1) retirement plan alternatives, such as defined contribution (401k) plans and cash balance plans;

(Over)

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(2) the costs and benefits of offering retirement plan alternatives, including:

(i) recruitment and retention of employees;

(ii) retirement security for employees;

(iii) the effect on the State's contribution rate for the defined benefit plans of the State Retirement and Pension System; and

(iv) the effect on the asset allocation policy and projected investment returns of the State Retirement and Pension System;

(3) the experiences of other states that currently offer or have previously offered alternative retirement plans to employees; and

(4) the legal requirements to set up an alternative retirement plan.

(c) On or before December 1, 2017, the Department of Legislative Services shall report its findings and recommendations to the Joint Committee on Pensions.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017. It shall remain effective for a period of 1 year and, at the end of June 30, 2018, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.”.