

SENATE BILL 399

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CF 7lr1423

By: **Senator Guzzone (Chair, Joint Committee on Pensions)**

Introduced and read first time: January 27, 2017

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Employees' Pension System – Purchase of Credit for Eligibility Service –**
3 **Legislative Employees**

4 FOR the purpose of altering the amount that a member of the Employees' Pension System
5 must pay to the Board of Trustees of the State Retirement and Pension System to
6 purchase credit for eligibility service for a certain period of legislative employment;
7 and generally relating to the purchase of credit for eligibility service for a member of
8 the Employees' Pension System.

9 BY repealing and reenacting, with amendments,
10 Article – State Personnel and Pensions
11 Section 23–307(d)
12 Annotated Code of Maryland
13 (2015 Replacement Volume and 2016 Supplement)

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

16 **Article – State Personnel and Pensions**

17 23–307.

18 (d) (1) A member of the Employees' Pension System who is employed by a
19 member of the State Senate or House of Delegates for at least 130 days per year as a
20 legislative employee before becoming a member is considered to have been a permanent
21 part–time legislative employee.

22 (2) A member described in paragraph (1) of this subsection may purchase
23 credit for eligibility service for that period of legislative employment by paying to the Board
24 of Trustees:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) for a period of employment on or before December 31, 1979, the
2 sum of:

3 1. the amount that the member would have been required to
4 contribute for that period of employment; and

5 2. **5% REGULAR** interest on the member's contributions,
6 compounded annually; and

7 (ii) for a period of employment on or after January 1, 1980, the sum
8 of:

9 1. **ONE-HALF OF** the amount that the member would have
10 been required to contribute for that period of employment;

11 2. **ONE-HALF OF** the amount that the State would have been
12 required to contribute for the member for that period of employment; and

13 3. **5% REGULAR** interest on the member's and State's
14 contributions, compounded annually.

15 [(3) The rate of interest to be paid under this subsection is the average for
16 the 5 years preceding the year of payment of the yearly rate of interest computed as the
17 sum of the investment income and the realized gains and losses divided by the book value
18 of the total investments.]

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
20 1, 2017.