

SENATE BILL 1135

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7lr3707

By: **Senator Oaks**

Introduced and read first time: February 22, 2017

Assigned to: Rules

Re-referred to: Budget and Taxation, February 24, 2017

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 28, 2017

CHAPTER _____

1 AN ACT concerning

2 **Employees' Pension System – ~~Incorrect Enrollments~~ Membership – Study**

3 FOR the purpose of requiring ~~that, if after a certain requested review by the Board of~~
4 ~~Trustees for the State Retirement and Pension System, an individual is determined~~
5 ~~by the Board of Trustees to be incorrectly enrolled as a member of the Employees'~~
6 ~~Pension System, the individual shall be disenrolled; requiring the Board of Trustees,~~
7 ~~at the request of an incorrectly enrolled individual, to pay the individual certain~~
8 ~~contributions in accordance with certain provisions of law; requiring the Board of~~
9 ~~Trustees, at the request of the participating employer of an incorrectly enrolled~~
10 ~~individual, to determine the amount of contributions that the employer paid on~~
11 ~~behalf of the individual; providing that the Board of Trustees may make a certain~~
12 ~~adjustment to the employer's contributions; providing for the termination of this Act;~~
13 ~~and generally relating to incorrect enrollments~~ the State Retirement Agency and the
14 Department of Legislative Services to conduct a certain study regarding membership
15 in the Employees' Pension System for certain individuals who are employed in
16 positions for which the budgeted hours are less than a certain number of hours per
17 fiscal year; requiring the study to include certain elements; requiring the State
18 Retirement Agency and the Department of Legislative Services to report their
19 findings and recommendations to the Joint Committee on Pensions on or before a
20 certain date; providing for the termination of this Act; and generally relating to a
21 study regarding the membership of certain individuals in the Employees' Pension
22 System.

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

3 ~~(a) This section applies only to an individual who:~~

4 ~~(1) requests the Board of Trustees for the State Retirement and Pension~~
5 ~~System to review the individual's status as a member of the Employees' Pension System;~~
6 ~~and~~

7 ~~(2) the Board of Trustees determines, in accordance with § 23-205 of the~~
8 ~~State Personnel and Pensions Article, has been incorrectly enrolled as a member of the~~
9 ~~Employees' Pension System.~~

10 ~~(b) An incorrectly enrolled individual shall be disenrolled as soon as practicable~~
11 ~~after the determination of incorrect enrollment is made by the Board of Trustees.~~

12 ~~(c) (1) At the request of an incorrectly enrolled individual, the Board of~~
13 ~~Trustees shall pay the individual the amount of the individual's accumulated contributions~~
14 ~~in accordance with § 29-501 of the State Personnel and Pensions Article.~~

15 ~~(2) For purposes of administering § 29-501 of the State Personnel and~~
16 ~~Pensions Article, an incorrectly enrolled individual shall be considered to be a member or~~
17 ~~former member.~~

18 ~~(d) (1) This subsection does not apply to a participating employer that is a unit~~
19 ~~of State government.~~

20 ~~(2) At the request of the participating employer of an incorrectly enrolled~~
21 ~~individual, the Board of Trustees shall determine the amount of employer contributions~~
22 ~~that the participating employer paid on behalf of the incorrectly enrolled individual.~~

23 ~~(3) At the request of the participating employer of an incorrectly enrolled~~
24 ~~individual, the Board of Trustees may adjust the employer contribution amounts that the~~
25 ~~participating employer is required to pay for the following fiscal year to compensate the~~
26 ~~employer for employer contributions paid on behalf of an incorrectly enrolled individual.~~

27 (a) The State Retirement Agency and the Department of Legislative Services
28 shall:

29 (1) conduct a study regarding membership in the Employees' Pension
30 System for individuals who are employed in a position for which the budgeted hours per
31 fiscal year are less than 500 hours, including:

32 (i) the individuals who are required to join the Employees' Pension
33 System under current law as a condition of employment;

1 (ii) the individuals who have optional membership in the Employees'
2 Pension System under current law; and

3 (iii) the impact of Chapter 182 of the Acts of 2015 on the enrollment
4 of individuals in the Employees' Pension System; and

5 (2) make recommendations regarding suggested statutory changes, if
6 necessary, relating to membership in the Employees' Pension System for individuals who
7 are employed in a position for which the budgeted hours per fiscal year are less than 500
8 hours.

9 (b) On or before December 1, 2017, the State Retirement Agency and the
10 Department of Legislative Services shall report their findings and recommendations to the
11 Joint Committee on Pensions.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
13 1, 2017. It shall remain effective for a period of 1 year ~~and 6 months~~ and, at the end of
14 ~~December 31~~ June 30, 2018, with no further action required by the General Assembly, this
15 Act shall be abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.