

Chapter 509

(Senate Bill 699)

AN ACT concerning

Alternate Contributory Pension Selection – Former Members – Member Contributions

FOR the purpose of requiring that certain members of the Employees' Pension System or the Teachers' Pension System who are subject to the Reformed Contributory Pension Benefit earn a certain rate of interest on certain former member contributions in the Alternate Contributory Pension Selection of the Employees' Pension System or the Teachers' Pension System under certain circumstances; defining a certain term; providing for the application of this Act; and generally relating to interest earned on former member contributions in the Alternate Contributory Pension Selection of the Employees' Pension System or the Teachers' Pension System.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 23–213
Annotated Code of Maryland
(2015 Replacement Volume and 2017 Supplement)

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

Article – State Personnel and Pensions

23–213.

(a) Except as provided in subsection (b) of this section, regular interest is payable on member contributions at the rate of 5% per year compounded annually until retirement or withdrawal of contributions and interest.

(b) **[No] EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, NO** further interest shall be paid on member contributions after membership ends if the former member is not eligible to receive a vested allowance under Title 29, Subtitle 3 of this article.

(C) (1) IN THIS SUBSECTION, “ACTIVE MEMBER” MEANS A MEMBER WHO IS NOT SEPARATED FROM EMPLOYMENT WITH THE STATE OR A PARTICIPATING EMPLOYER OF THE EMPLOYEES’ PENSION SYSTEM OR THE TEACHERS’ PENSION SYSTEM.

(2) THIS SUBSECTION APPLIES ONLY TO AN INDIVIDUAL WHO:

(I) IS A FORMER MEMBER OF THE ALTERNATE CONTRIBUTORY PENSION SELECTION;

(II) IS NOT ELIGIBLE TO RECEIVE A VESTED ALLOWANCE FROM THE ALTERNATE CONTRIBUTORY PENSION SELECTION UNDER TITLE 29, SUBTITLE 3 OF THIS ARTICLE;

(III) HAS NOT WITHDRAWN THE INDIVIDUAL'S MEMBER CONTRIBUTIONS FROM THE ALTERNATE CONTRIBUTORY PENSION SELECTION; AND

(IV) IS AN ACTIVE MEMBER SUBJECT TO THE REFORMED CONTRIBUTORY PENSION BENEFIT.

(3) AN INDIVIDUAL DESCRIBED IN PARAGRAPH (2) OF THIS SUBSECTION SHALL RECEIVE REGULAR INTEREST AT THE RATE DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION ON THE INDIVIDUAL'S MEMBER CONTRIBUTIONS IN THE ALTERNATE CONTRIBUTORY PENSION SELECTION WHILE THE INDIVIDUAL IS AN ACTIVE MEMBER SUBJECT TO THE REFORMED CONTRIBUTORY PENSION BENEFIT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply retroactively and shall be applied to and interpreted to provide payment of interest on an individual's contributions as a former member in the Alternate Contributory Pension Selection beginning on the date the individual became a member subject to the Reformed Contributory Pension Benefit if the individual is an active member on the effective date of this Act.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2018.

Approved by the Governor, May 8, 2018.